Linking U. S. - Canadian Arsenals p. 9

THE FINANCIAL POST

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Be Sure to Read

New Teeth For P.C. 7440?	4
Hyde Park Implemented	9
Charts Industry's Course	11
Rich Gold Fields Drilling	14

Vol. XXXV Member of Audit Bureau of Circulations ★ PUBLICATION OFFICE: TORONTO, SEPTEMBER 6, 1941 ★ 10c a Copy; $5.00 a Year No. 36

The Nation's Business

Canada Not "All-out" But is Getting There

In this issue one of our staff reports his observations as a member of the Canadian editors tour of training camps and munitions plants. He reports Canada to be a throbbing war machine, producing fantastically beyond the greatest expectation of two years ago, but still from six months to a year away from its peak all-over production of the personnel and tools of a war.

Since we are committed as a nation to nothing less than the very maximum contribution we can make, it is to the shortening of that time lag that all our energies should be addressed.

* * * *

We have not yet hit our full stride. For many months yet there will be big gaps in the equipment of our troops in training in Canada. The peak of war industries output is not likely to be attained for twelve months. In respect to some items, bad planning—due to lack of a well integrated war plan—is the reason. In respect to other items, difficulties have arisen that simply could not be foreseen.

Now that production has reached such heights, our main purpose must be not to fool ourselves. We cannot fool the enemy. He will be impressed not by words and figures but only by the effective use of trained troops, fully equipped with the most modern weapons, in an offensive skilfully planned and exacuted. But while not fooling him, we could conceivably fool ourselves, if we departed too often from the facts in cataloguing our achievements in war production. If we become too satisfied with our achievement there would be a let-up in the pressure for ever greater results. There must be no let-up.

Every Canadian soldier is matched against some Nazi soldier. He must be as well equipped, as well trained. Our flyers must have as good planes and more of them.

Every Canadian worker is matching his energies and skill against the energies and skill of some German worker. If the German works unceasingly sixty hours a week while the Canadian worker is on strike then our war effort will fall short of what is necessary—necessary merely to hold the line defensively, much less to take the initiative.

Every Canadian civilian is matched against a regimented German civilian trained to sacrifice and who is doing without fats, fuel, metals and wool for the greater glory of Adolf Schicklgruber and the New Order in Europe. Only if the Canadian civilian is willing and able to make similar sacrifices can he be certain of matching the efforts of his Nazi enemy.

* * * *

Mr. Churchill, Mr. Roosevelt, Mr. Bevin, have each tried in recent days to make us who are on the side of freedom realize these facts. The burden of the speeches of each one has been: the war is not winning itself; it is yet to be won; it cannot be won with the effort that is now being made; we must put much more into the struggle.

What we in Canada need to stir us on and on to ever bigger war accomplishments is not a series of pats on the back from government leaders or propaganda officials. That would merely add to apathy and complacency. Heaven knows, we have had too much of both in Canada, and have too much now.

What we need is a series of good, sharp pricks with the spurs, to drive us on to an even faster pace. We have had some such effective pricks: in Mr. Ilsley's tough but honest war budget; in the diversion of aluminum, steel and silk and the curtailment in supplies of gasoline and household machinery. But compared to the needs of total war these are pleasant caresses.

More deep-digging of the spurs is needed. Instead of arousing public discontent it will arouse national fervor and energy.

* * * *

There is still a good deal of old-fashioned politics in our war effort. Mr. King's favoritism to his personal organ in his London trip was one example of that.

There is official complacency, the product of overoptimistic progress reports. The display at the Toronto "Ex" of a tank that is not yet fully engineered and a plane which is not yet being delivered to the airforce is an example of that.

There is timidity. The pussyfooting of the labor minister when faced with outright challenges to the nation's wartime labor policy is an example of that.

There is public apathy. The slowness of response to recruiting, the failure to reach objectives in the gasoline restriction campaign, are examples of that.

* * * *

On the whole, our war effort is not one that calls for apology. It might even be called magnificent. But this is not the stage in the war for indulging in such self-congratulation.

The measure of our war effort is not how much it has grown in two years or in the last year but how closely it approaches the ruthless totality of the German effort. Using such a yardstick we have a long way yet to go. It is not in the Canadian people—given inspired leadership from the top—to fail to achieve what is necessary.

There are many **V**'s in Victory. Some of them are Vision, Vigilance and Vertebrae. It is a **V** of another color that we find in Vanity, Vainglory and Votes.

* * * *

LETTING THE PRESS SEE FOR ITSELF

The editors tour of eastern defense camps and munitions plants demonstrated one thing above all: that the best "information" and propaganda activity that any government department can carry on is to give editors and news writers free access to the facts and let them write the story in their own words. This is a lesson that Britain, bogged down in the swamps of the Ministry of Information, is only now learning; that some departments at Ottawa have learned much better than others.

Complete frankness with the public—within the limits imposed by censorship of information that must necessarily be concealed from the people in order to conceal it from the enemy—is a good rule in wartime as in peacetime. Canada's war effort will be better for continuous scrutiny in the light of day. It is a big enough, and good enough, to be impressive without exaggeration, falsely optimistic promises, or concealment of such deficiencies as do exist.

* * * *

QUEBEC FULFILLING FINANCIAL PROMISE

The Quebec Government is honoring its pledge to restore sanity to the province's finances.

In a supplementary report to the annual financial presentation for 1940-41, Provincial Treasurer Mathewson, states the province in the last five months has been living entirely within its means for the first time for many, many years.

It will not be necessary to ask for new money to capitalize operating deficits in the current year if this favorable position is maintained throughout the year.

This, in itself, represents a notable contribution to Canada's war effort. If every province followed the example the task of Ottawa in obtaining funds for its giant war chest would be measurably lightened.

For its good example and effort, Quebec deserves all credit.

"Pans for Planes" Drive Starting This Week

Canada's campaign to conjure up a flood of old pots, pans and other aluminum to swell scrap metal supplies of the precious metal for aircraft production, gets under way this week end in Ontario and Quebec. Regional drives are slated for the two following week ends in the prairie provinces and in the Maritimes and B. C. Similar drives in Britain and the United States were very effective, as indicated by the above view of kitchen discards being fed into a reclamation furnace in England. A new reclamation plant of modern design was recently put into operation by the Aluminum Co. of Canada.

Hint New Deal With U.K. Made

Bacon Agreement Indicates New Terms Reached

Announcement that Canada had completed a 1941-42 contract to supply a minimum of 600 million pounds of bacon to U. K. in the next year may be taken as assurance that the broad details of a new deal in Canada-U. K. financing have been approved.

As reported in The Financial Post on Aug. 23 the bacon deal was completed some time ago, but awaited final decision as to price.

The price matter hung fire pending a complete revamping of present Canada-U. K. financial arrangements.

Upping of the "contract" price of bacon from 80 to 100 shillings per long cwt. means that U. K. will permit higher prices for agricultural items to be written into her contracts with Canada and that Canada in turn will agree to assume much greater financial obligations in respect of war commitments in other areas.

One area where Canada is understood to have definitely agreed to assume larger financial responsibility is in respect of Canadian pilots and fighter squadrons overseas. At present the cost of these is being paid by Great Britain. Costs are said to run to something like $200 millions annually. Canada will take this "on" as a further war obligation.

Pay For Air Plan

Canada will probably assume, in addition, a larger or perhaps the entire cost of the air training plan in this country. This would cost a further $200 to $300 millions and would be one way of helping the United Kingdom to reduce her sterling balances in this country.

At the same time there will be an end to "open end" deals such as the old bacon contract whereby U. K. paid Canada (in sterling balances) only a part of the price received by the Canadian farmer.

In the case of bacon the price under the old 1940-41 contract was 80 shillings per long cwt. Later this was revised by U. K. to 85 shillings.

But actually the Canadian farmer has been receiving 97/6 for some time. The difference between 85 shillings and 97/6 was made up by the Canadian taxpayers out of consolidated revenue.

Nominal Gain of 15s.

The new contract price (100 shillings) is therefore an increase of only 2/6 per cwt. as far as the farmer is concerned. But it is a "nominal" jump of 15 shillings compared with the revised price to U. K. on the old contract.

It means that in bacon (as well as in other agricultural produce) the "contract" price will in future match as closely as possible the actual price to be paid the Canadian farmer. Thus open-end contracts which led to difficulties in bonus or subsidy arrangements will be eliminated.

On the other hand the Canadian government will offset this increased price by liberal "grants" to U. K. by way of greater Canadian participation in war costs such as our air pilots, the training plan, etc.

Nation's War Effort Speeds Up But is 6-12 Months From Peak

Newsprint Cost For Half Year Held at $50

Canadian Industry Expected to Follow Lead of Canadian International Paper

From Our Own Correspondent

MONTREAL. — Continuation of the Canadian newsprint industry's four-year-old price policy is indicated by announcement of Canadian International Paper Co. that it will extend present price of $50 a ton New York delivery into the final quarter of the year and first quarter of 1942.

As Canadian International Paper Co. for many years has led the industry in announcing a price policy, it is assumed the rest of Canadian manufacturers will follow its lead.

The announcement has removed many of the question marks surrounding price policy for the rest of the year of newsprint companies.

Recent action of Great Northern Paper Co. in raising its price from $49 to $50 a ton for the final quarter of the year posed a problem for the Canadian industry.

Improves U. S. Position

For many years Great Northern's price, as well as certain other U. S. operators, has been under the price of the Canadian industry and certain U. S. manufacturers. The differential has given a competitive advantage in the American market to the Great Northern group.

By raising the price to $50 Great Northern removed this differential and price advantage. Canadian International Paper apparently has chosen to allow its price to remain at the $50 level, improving its competitive position in the U. S. market, but refusing to raise price to compensate for higher costs.

Taxes and Charges Rise

Until recent months the premium on U. S. funds has given the Canadian industry a certain amount of leeway. Higher costs of operation and taxation have now virtually eliminated this advantage.

Several months ago R. J. Cullen, president of International Paper Co., intimated the company might be forced to raise its price in the final quarter. Apparently, after consideration of the case, the company has decided to maintain its price, in line with policy of the industry, announced at the outbreak of war, to hold prices as far as possible.

Morale of Canadian Fighting Forces is High — McNaughton Said to Fully Approve Training Methods — New Weapons Programme Piled on Present "Prodigious" Load War Industry is Efficiently Carrying

This week 45 Canadian editors returned home from a government-sponsored tour that took them to many army, air force and naval training centres and to a representative group of war plants.

Accompanied by high officials of the fighting services and the Department of Munitions and Supply they were given exceptional opportunities to size up Canada's war effort.

Questions were freely and candidly answered. No request was made that the editors should either write, or refrain from writing, about anything they saw or learned. Only the usual reservations regarding troop movements and technical details of production were to be observed. At a cabinet dinner in Ottawa, the editors were asked by ranking ministers to comment and critcize freely.

A member of the staff of The Financial Post was a member of the tour. In this article he sets forth some of the major impressions and information, he and other editors gained.

Canada's war effort has taken long strides ahead during the past 12 months. We are now beginning to pick ripe fruit in the form of trained airmen, army units and naval personnel, and in the form of munitions production from many of the trees planted after June, 1940 when the tragic events of that month brought new energy into our war programme.

Quickened as is our pace, we have not yet hit our full stride. The peak of our fighting strength and of our factory production is still six to twelve months away.

In six months, we shall be producing perhaps 95 to 98% of the various items of fighting equipment we have undertaken to produce. With the exception of some bottleneck items, we shall have, at that time, factory capacity to equip a full division every six weeks. But there will still be some vital gaps in production. Adequate supply of certain types of guns, scientific apparatus and fighting vehicles cannot be expected short of twelve months from now. We have yet no "blitz-buggies" (to replace motorcycles), no scout or reconnaissance cars, few tanks.

The items so delayed are, for the most part, significant war weapons whose production has recently been superimposed upon a programme that already promised to tax our industrial skill and resources. We have taken on a bigger war production job than most Canadians yet realize.

Troop Training Not Completed in Canada

Just as there are gaps in production, there are also gaps in training. When the navy turns officers and seamen out of its schools they are ready for duty at once. They get their final training by serving afloat.

The army trains only individuals and platoons and sends these overseas to be made into fighting brigades and divisions. It gives its men no training in Canada with parachutes, flame-throwers or in land-air co-ordination.

The airforce training plan comes close to finishing the training job, but aircrew must still spend a few weeks in an "operational" or finishing school in Britain. In both service branches, Canada is doing what is claimed to best conform to British needs.

The "reserve" army—successor to the Non-Permanent Active Militia—is virtually neglected. The general staff is too busy with the Active Forces to give these units much attention. The officers are left to improvise their own training and they are last on the list to receive any equipment that may become available.

On the other hand, NRMA recruits assigned to "home defense" units get the same training and equipment as troops readied for overseas.

So much was learned by a party of 45 Canadian editors on a tour of eastern Canada training areas, defense establishments and munitions plants last week and in candid conversations with cabinet ministers, defense chiefs and munitions officials.

Most impressed among the editors were those who had been members of a somewhat similar party, including United States mili-

(Continued on page 2, col. 2)

The War And Business . . A Weekly Round-up

Significance of Iran

Significance of the war-shortening seizure of Iran by Britain and Russia is found in world oil statistics. The modern army and especially the highly mechanized forces of Germany must have enormous quantities of oil, but unfortunately for Germany, most oil comes from distant parts of the world. Only one of the leading seven world producers is under control of Hitler. That is Roumania which is well down the following list from Imperial Oil Review:

Leading World Oil Producers
(1940 Output)

	Bbls.
United States	1,351,849,000
Russia	216,909,000
Venezuela	184,761,000
Iran	79,151,000
Roumania	42,885,000
Dutch E. Indies	40,685,000
Mexico	40,000,000
	1,956,940,000

Iran, it will be noted, has almost twice the production of Roumania, which in turn produces four times the normal output of Germany itself, plus conquered Poland. Bulk of Russia's large oil output is produced within a few hundred miles of the Iranian fields. Now oil from the latter will be used by the British and Russians to protect both.

* * *

More Tourists

Tourist traffic this year has been registered good gains over 1940, as any traveller along almost any main Canadian highway recently must have realized. Compared with 1939, however, there is still a moderate lag, according to the latest Ottawa estimates.

Officials are not boasting particularly of beating last year's total, because this was abnormally low due to misapprehension among prospective U. S. visitors of their reception in a country at war.

At least some of this misapprehension was later traced to Nazi propaganda. This year it was decided to make a counter drive against such propaganda and also to increase general publicity in the United States. The results are shown in the following figures covering 60-day auto permits for the third week in August:

1941	38,091
1940	29,409
1939	42,540

There is hope that final figures for the year will not fall a great deal behind the 1939 total, as recently this traffic, so vital to Canada's credit in the United States, has been showing greater gains.

* * *

Transit and Transport

To clear up the public confusion regarding the respective responsibilities of the Transit and Transport controllers the functions of the two officials are defined as follows:

T. C. Lockwood, appointed Transport Controller November, 1939, is authorized to direct the movement of munitions and supplies by rail or water in Canada and by sea from Canada to outside destinations. The Transport Controller also supervises the handling, routing and movement of all Army, Navy and Air Force personnel, determines the priority of these movements, and issues priority permits.

W. J. Lynch, Transit Controller, has control over any system, line, or other means of transporting passengers from place to place for hire, including buses, tram-cars, ferries, etc. He has the power to establish tables or schedules of fares or rates to be charged by these transport agencies, may issue, re-issue, or cancel permits or licenses in respect of the above: can prohibit, restrict, limit, or extend the parking of vehicles. He is also empowered to stagger working hours to relieve transportation congestion.

* * *

Metal Restriction

Last year more than half our zinc, 40% of our nickel and over a quarter of our aluminum went into production of non-essentials, according to an estimate by Metal Controller Bateman. Now all three, under the new more rigid control set up are to be greatly curbed.

Aluminum for non-essential civilian use is to be cut to a mere trickle of 2%, nickel from 40% to 15% and zinc, the most plentiful of our base metals, from 64 to 25%.

* * *

Shipbuilding Boom

More than 17,000 men are now employed on steel ship construction in Canada. At the peak of the war programme, which will probably be reached between December, 1941, and March, 1942, in excess of 30,000 men, it is expected, will be required in the shipyards. In addition, it is estimated that the number of men employed in the manufacture of ship components is about equal to the number employed in the shipyards.

Keels for several 9,300-ton cargo vessels, under the construction programme being administered by Wartime Merchant Shipping Ltd., have now been laid down, it is announced officially, and contracts have been awarded for additional vessels of this type, on which delivery is to be made by the end of 1942.

Orders have been placed for a wide variety of component parts for these cargo ships, including marine engines, boilers, winches, windlasses, propellers, pumps, steering gears, electric generators, water heaters, and water filters.

* * *

U. S.-Canada Deal

The far-reaching significance of the Hyde Park Declaration is now beginning to make itself felt in Canada. The declaration has proved thoroughly workable in its most important aspect (U. S. purchases of Canada's surplus material) thanks to the generous co-operation of U. S. officials.

The declaration has proved an effective avenue for using Canada's surplus capacity to best effect in the war effort. All along the line where Canada has immediate or potential surpluses, either of plant capacity or commodities, the U. S. has stepped in and placed orders.

Some of these items will be used immediately by U. S.—nickel, aluminum, zinc, certain types of guns, etc. Others will be sent lease-lend to China and the Far East; others will be routed or used to release other material for lease-lend to U. K. Some items in this category (trainer planes for example) may actually remain in Canada under lease-lend arrangement with U. K.

The important point is that U. S. has been eager and willing to cooperate in every way to make the utmost use of Canadian productive facilities and at the same time help us to meet our steadily mounting exchange bill with that country.

* * *

80% Pay As We Go

Out of current taxes Canadians are paying from 70 to 80% of Dominion government expenditures on war and non-war account this year, Finance Minister Ilsley stated this week. Not covered, however, is the amount of money required to finance war purchases in Canada by Great Britain in excess of British goods sold to Canada. For this purpose some $900 millions will be required, stated Mr. Ilsley.

* * *

Ban Ice Cream?

There is a rumor that there may be no more ice cream for Canadians, or at least sharply curtailed supplies, before long. The need for diversion of the milk, and particularly the butter fat, which goes into manufacture of ice cream, to turn into butter and cheese for Britain, is said to be behind this possibility.

So far as can be gathered it is no more than a rumored possibility as yet. The ice cream business is a highly seasonal one and is now entering its period of lessened demand with cooler weather.

* * *

Milestones

Morris Wilson appointed chairman British Supply Council in North America, in succession to the late Arthur Purvis and E. P. Taylor, Chief Executive Officer, a newly created post * * * Canadian National Exhibition attendance running 15% above year ago * * * Week commencing Sept. 10, second anniversary of Canada's declaration of war against Germany, dedicated to national honor of armed forces * * * Mrs. Basil B. Campbell of Ottawa to take charge of Canada Travel Bureau Exhibit at big U. S. exhibitions * * * July output of Bren guns in Canada exceeded recently revised schedules by 30% * * * Supplies Controller given authority to establish priorities for rubber and silk and set selling prices * * * F. L. Jeckell appointed head of new branch of Munitions and Supply Dept. to co-ordinate "Bits and Pieces" programme * * * Munitions Minister Howe named John A. Marsh to replace W. D. Low as executive assistant to his Deputy Minister, G. K. Shiels, and selected W. J. Atkinson to assist Mr. Marsh in his new duties * * George A. Briggs, assistant to the Director of Contracts in the National Defense Department, succeeds J. A. Marsh as head of the Supply Department's Purchase Investigation Division * * * War orders awarded by the Department of Munitions and Supply for the week ending August 19 numbered 3,230 and totalled almost $22.9 millions, previous week total $10.2 millions.

Time Payments, Meat And Milk Are Probed

By STAFF WRITER

OTTAWA. — Meat, milk and installment selling are three price and control worries which the newly created Wartime Prices and Trade Control Board finds it must deal with immediately.

The installment selling problem is well known. It is one on which Hon. J. L. Ilsley has publicly expressed his views on more than one occasion. Now he has definitely given the board the "green" light to go ahead at once and recommend whatever curbs it feels are necessary.

As to milk, the board this week is meeting members of the Saskatchewan Milk Board to hear their story and see what can be done.

Concern about rising milk prices is running high both in Saskatchewan and Alberta. The problem in the latter province will be given attention as soon as the Saskatchewan situation is digested. Previously the board shied away from commodities such as milk, where provincial control authorities existed. Now the board has assumed complete control over all prices whether they affect war or peacetime articles or materials and irrespective of where control previously was exercised.

Meat is typical of a dozen complex and difficult situations which the board in its new role must attempt to solve.

Previously bacon and ham prices were set by the Canadian Bacon Board. Cheese and butter prices came under the Dairy Produce Board. Eggs were the responsibility of the Special Prices Board. As to farm prices and supply generally, the old Wartime Prices and Trade Board could only function when a farm commodity was processed. That is: it could and did deal with bread prices (for example) but had no authority to do anything about wheat.

Now the board's authority extends over all commodities, farm and otherwise, except for the single proviso that the board has no jurisdiction over "any farmer or gardener in respect of any agricultural product produced upon any land cultivated by him."

This is interpreted to exempt market gardeners and those who sell their products direct to the consumer.

Meat Sore Problem

Thus meat prices, which have been a matter of very considerable concern, now become one of the board's chief worries. It is one area where almost immediate action may be taken to prevent further increases in price levels.

Orders-in-council give extraordinary price-fixing powers to the Wartime Prices and Trade Board, as well as licensing control over the manufacturers and distributors of all goods and services.

The board is linked with the War Industries Control Board in new and drastic regulations that virtually mean control of the economic life of the country for the duration of the war.

The Wartime Prices and Trade Board may now fix specific maximum or minimum prices of goods

(Continued on page 2, col. 5)

Hat News
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Montreal Port Reports Record

From Our Own Correspondent

MONTREAL.—Customs and excise collections at the Port of Montreal during August established an all-time high of $18.4 millions. This compares with $17.9 millions in July, the previous record month. The past August shows a betterment of $5.7 millions over the same month last year.

Since April 1, beginning of the Dominion Government's fiscal year, customs and excise collections at Montreal totalled $82.9 millions, contrasted with $61.8 millions in the same period of 1940-41, an increase of $21.1 millions, or 34.1%.

Obituaries

R. C. Wilkins, president Robert C. Wilkins Co. of Farnham, Que., manufacturers of overalls, shirts, etc., aged 80, at Farnham.

W. S. Weldon, formerly managing director of the Windsor Hotel, Montreal and later Collector of Customs at Montreal, aged 77, at Montreal.

L. M. Watson, auditor United States Fidelity and Guaranty Co., at Toronto and secretary-treasurer, the Fidelity Insurance Co., aged 58, at Toronto.

FEATURES
in the September issue
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Nation's War Effort Speeds Up But is 6-12 Months From Peak

(Continued from page 1)

tary writers, a year ago. Those who thus doubled on their tracks saw vast improvement in equipment, training methods and personnel of the services, and a most gratifying increase in war production of Canadian industry.

A war programme that was merely a "token" effort from August 1939 to June 1940, was still—a year ago—only in its preliminary stages of organization as a major effort. It has picked up increasing speed as the months have gone by.

Plant expansion programmes have turned into all-out production in some lines and into the first trickle of supplies in many other lines. Army, navy and air training centres, that were then still blueprints, are now busy turning out skilled fighting personnel for the three services.

Widespread Expansion Continues

There is daily growth in Canada's war effort. From now on, that effort will require an ever-increasing total of men, money and materials, diverted from civilian enjoyment.

The expansion will go on for at least a year. Beyond that, no one can make any forecasts. Canada's own military programme is based upon the gigantic British Commonwealth Air Training Plan, a navy destined to have 400 vessels by March, 1942, and the creation and maintenance of a co-ordinated "Canadian Army" of apparently six divisions, fully equipped, and ensured of adequate reserves of men and equipment to provide for wastage, under active service conditions, until March 1943. The munitions programme is geared to that military programme but is also large enough to cover large quantities of supplies for British and U. S. accounts.

Major Offensive Before 1943 Doubtful

If the war is still going on at that date—and there seems little likelihood that Britain and her allies can undertake a knockout blow against Hitler much before the Spring of 1943—Canada's facilities for raising men and building war material will, of course, remain in operation—a highly organized, efficient machine for producing the trained men and the tools that will be required to finish the job.

The ultimate scale of Canada's war contributions cannot be finally envisaged at this time. But six divisions, here and overseas, including an armored division and a tank brigade, plus an adequate stream of reinforcements may prove to be the limit for the army.

An army division today is not what it was in 1914-1918. It has 10 times the fire-power, 50 times the horsepower in engines and transport, and costs eight times as much to equip and maintain. Canada got up to four complete divisions in 1914-1918. Our population is only 50% greater. Our army programme—in terms of dollar cost—is already vastly greater. In manpower it is less, but in 1914-1918 we had no call for airmen and seamen such as we must answer today.

The air training plan will probably produce more than the 3,000 air crew monthly that has been unofficially estimated as its probable maximum output.

Further Expansion Seen Likely

The navy will probably expand beyond the 400 ships and 27,000 men planned for March 1942.

As for industrial production, the sky is the limit. It is likely that when full-scale production is achieved on the basis of the present programme, Canada's output will compare with Britain's output in proportion approximately to the relative populations of the two countries, despite the fact that Canada was before the war much less highly industrialized than the United Kingdom.

But no informed person expects Canada to be able to rest upon the munitions programme presently drafted, ambitious as that is.

This war is so dynamic, its demands are so insatiable, that long before Canadian industry has risen to the fulfillment of current demands upon it, there will be new demands. They will arise out of unforeseen war needs developed in actual fighting. They will arise out of occasional destruction of plants in Britain and out of the incessantly growing appetite of war itself.

Such things were obvious to the editors who took advantage of their opportunity to probe the minds of Canada's defense chiefs, cabinet ministers and industrialists on last week's tour.

Morale Very High

The editors gained, too, many other distinct impressions.

They found the morale and spirit of Canada's fighting men in all services to be very high. The men are well looked after. Camp engineering seems to have been of a high order. Sanitation services are good. Messing and amenities are receiving careful attention.

The harsher and more boresome aspects of life under discipline have been mitigated. There has been an effective democratization and humanizing of training. The old-time regimental sergeant major has faded out (although the navy still seems to retain some of the tradition in an occasional chief petty officer who barks with traditional fierceness). Officers and men are closer to each other in all services than ever before. Youth gets full scope: There is a 24-year old wing commander and a 27-year old captain of a destroyer and scores of other youngsters rising to the top.

Every competent fighting man has before him the possibility of becoming an officer, if he works hard to earn the promotion. In fact, no one can now become an officer (except in a few administrative jobs) without first of all serving in the ranks. The services are setting up machinery for reaching down into the ranks to select men of officer calibre and giving them specialized training and quick promotion.

Weed Out Misfits

Machinery for weeding out misfits —both at the top and at the bottom— is still incomplete, but is becoming more effective as each day passes. Senior officers who fail in their job are apt to be "kicked upstairs" (without, however, a boost in rank), while privates, aircraftmen and seamen who are mentally or physically incapable of becoming good fighting men are being weeded out.

If they can be used for routine chores or fatigue duties they will be so assigned. But many are washed out entirely and sent back to civilian life. Thus, this war differs from all previous ones in that a man has to be good even to hold a buck private's job.

The high percentage of NRMA recruits going "active" is evidence of the high morale. Of the first 4,000 called up, about 60% signed up for active service. Some platoons 100%; one 99.7%; a few as low as 15%. At one French-speaking camp more than 40% of the first group of four months went active.

Wide Experiment

Facilities for training have been expanded and after many months of experiment the army training is taking definite form.

The public accepts the air force training, given in the air training plan, as progressive and efficient. There has been virtually no public discussion of the training of naval personnel, which differs from army training in that each man is trained as a specialist almost from the day he reaches a coastal training centre.

Most criticism of training has centred around the army and the charge has been freely laid that we are still using 1914 methods for training a 1941 army. Specific complaint in the lay press and among some military authorities has been on such points as these:

Too much emphasis on building up "rifle armies," too much squad drill and bayonet practice. Not enough training in highly mobile, highly mechanized warfare. Too many infantry battalions and not enough panzer divisions.

No co-operation between ground troops and airplanes to train men in modern warfare where the closest liaison must exist between ground and air.

No training of parachute troops.

No adequate defense of Canada.

No brigade or divisional exercises or manoeuvres.

In brief, no training for lightning war, at least until our troops reach England.

Offer Specific Answers

To each of these specific criticisms, Canada's senior army officers offer specific answers. The answers have not been made in official statements so that there has been no opportunity for the critics to rebut the replies.

The answers may not be final but at least they are honest views. Here, in brief, is the official argument for the kind of training the Canadian army is being given in Canada:

The basic and advanced training given Canadian troops while still in Canada has, it is declared, the complete approval of the Canadian Corps Commander, Lieut. General A. G. McNaughton, who is delighted with the quality and skill of the officers and men being sent over to him. Every senior officer on the general staff has been sent to Britain to consult with British army chiefs and with General McNaughton and there is complete understanding all around.

The Canadian army, in training and equipment, is planned entirely on the model of the modern British army, in order that the two armies may fight together in the defensive and offensive operations that are to come.

It is contended that every skill that is taught and every item of equipment in use have demonstrated their important place in this present war.

The training in Canada is integrated with training overseas.

Made Team Member

In Canada, chief attention is given to elementary basic training that turns an individual and civilian into a member of a soldier team. He is able to look after himself in the field; and can make use of any weapon that is likely to be put in his hands under any conditions of warfare, whether a gas mask, a rifle, a machine gun, an anti-tank gun, a bayonet, or a pistol.

He has a knowledge of fieldcraft, map reading and first aid. He is tough enough to stand any necessary marches.

In the specialized services—Ordnance, Artillery, Army Service Corps, etc.—he learns all the fundamentals of his branch. There is an adequate proportion of skilled tradesmen, trained by the army itself to avoid denuding industry of men.

The emphasis is upon turning out many small groups — platoons and even sub-sections — of efficient well-trained soldiers; units that in the hands of skilled officers can team up with other similar units to do any jobs assigned to them.

Said Really Modern

The so-called "rifle army" is, it is claimed, the very basis of modern strategy and tactics, whether offensive or defensive. All the panzer divisions in the world would get nowhere without the backing of fully trained and fully equipped infantrymen, it is argued. Armored divisions are, it is said by the army chiefs, like the half-backs on football teams.

They seem to the lay public to make all the spectacular plays. But no half-back is better than the less glamorous line that makes and consolidates his plays.

As for our "shortage" of tank and armored troops, it is pointed out that Canada will have, counting the tank brigade, about one-half of its overseas troops in that class, while Germany has 20 armored divisions out of 260—or one in 13.

As for our "failure" to carry training in Canada beyond platoon stage and occasional battalion manoeuvres there is also an answer available. It is that the plea of Britain for men has been so insistent that the men of the first three divisions have had to be sent over as units before their training had reached the stage where divisional exercises were possible.

Overseas, Canada's troops are able to carry on their training into the higher stages at the same time that they provide a mobile shock force for the defense of Britain against possible invasion. When it is possible to keep men here for longer periods, more advanced training will be given them.

Defer Interruption

To the criticism that there has been no co-operation between ground troops and airplanes in training in Canada, it is pointed out that this is regrettable, but that such exercises would have inevitably interfered with the rigid, crowded schedule of the Air Training Plan.

At this stage in the war, it is thought to be better to complete the training of aircrew without interruption and make the men available for air operations over Germany and occupied Europe, and for the defense of Britain and the merchant navy.

Land-air co-operation will come later when the supply of pilots and other air crew has caught up with the present urgent demand.

In respect to the lack of parachute troops in Canada, it is pointed out that the same considerations apply. The air force is not ready yet to grant facilities for such training. It may be noted that British papers the other day reported a display by Canadian parachute troops in Britain, indicating that such troops are being trained by General McNaughton.

Win War Overseas

As to criticism that men are being sent overseas who should be held here for the defense of Canada, the official answer is one that seems to admit of no rebuttal.

It is that Canada is adequately protected against sporadic hit-and-run efforts at invasion which are all that need be expected so long as the British and United States navies remain intact.

Canada's broad policy is to win the war on the other side of the Atlantic—and on the other side of the Pacific if need be. If Britain stands, we need not worry about invasion. If Britain falls, we could not defend ourselves completely, no matter how we tried. To dissipate the joint strength of the Empire by building up huge home forces would be to destroy the effectiveness of our war effort, it is declared by defense officials.

Equipment Improves

The three Canadian divisions overseas are fully equipped but not entirely from Canadian sources. The troops still in Canada are not yet fully equipped. There are ample quantities of clothing, personal equipment, gas masks, and rifles. The units now have almost their full initial complement of Bren light machine guns.

They have sufficient quantities of mechanized vehicle transports in wide variety to carry on their training but have not their full complement yet. The Canadian automobile industry has a large MT capacity— at least 80,000 to 100,000 a year—and increasing quantities will be diverted to troops in training in Canada.

Said Coming Soon

The armored division is still training with obsolete Vickers tanks, but is hopeful of getting Canadian-made tanks soon. Production of one of Canada's two tanks is speeding up very well. The other one is slower to come off and some minor engineering is still to be done on it. The new 25-pounder guns are beginning to come off the line in quantity and some of these will soon be available for artillery training. There is a grave shortage of certain associated scientific apparatus. There are virtually no anti-tank and anti-aircraft weapons available yet for troops in training in Canada. Training centres have shown considerable ingenuity in finding suitable substitutes for these weapons in their work. The motorcycle for scout and dispatch work is being replaced by bantam cars (blitz-buggies) which are to be made in the U. S. A. Armed scout cars and reconnaissance cars are to be made in Canada but only pilot models are off the line.

Facilities for Training

Canada has facilities for training some 100,000 recruits monthly, about two thirds of whom are coming in as volunteers and the rest as NRMA 21-24 year olds. In determining how many men we should train, regard has been had for the needs of industry and the demands of the Air Force and Navy. That is why there has been no major expansion in our army plans recently.

Unhappy Bottlenecks

Full scale munitions production has been achieved in respect to many items but bottlenecks continue to slow up either production or preparations for production of some of the more important items.

The chief bottlenecks are shortage of toolmakers and diemakers; delay in deliveries of machine tools; destruction of some anticipated sources of parts supply, requiring new sources to be developed; and, to a lesser extent, shortage of materials. There is no actual shortage of lesser skilled labor yet. Women are being used in ever-increasing degree and proving apt learners and efficient workers.

Canadian plants are in production of many items that have not been publicly announced and large-scale orders have been placed for still others that are not being talked about.

Such "hush-hush" operations make a detailed commentary upon production achievements and problems impossible. The editors learned that in some respects we are doing a lot more than we are talking about.

But they learned, too, that some at least of the weapons that have recently been displayed (such as at Canadian National Exhibition in Toronto) are little more than pilot models subject to further changes in design. Others have reached the stage of getting the first few units off the line, with major technical problems yet to be solved before large-scale production can be had.

Prodigious Total

Nevertheless, with due allowance for bottlenecks and disappointments, the scale of Canadian war production has reached a prodigious total and represents a genuinely important contribution to holding the fortress of democracy against its foes. Recent changes in the control of materials and supply are regarded as likely to achieve more effective integration of production.

Further satisfying advances in production will be achieved during the next six months. Within a year—or about August, 1942—the all-over peak should be attained—unless, of course, the programme is further expanded in the meantime, which is almost certain.

Members of the cabinet, and the chiefs of the different services, who accompanied the editors or met them during the tour, asked for the most candid comments and criticisms. One minister said, "Don't hesitate to tell us if we make mistakes. A good bawling out is the best thing in the world for us."

The major impression the editors got was that of a nation that has moved with much speed and vigor to accepting and filling a major role in the war for freedom; but a nation that has not yet strained itself to its possible limits.

The resistless purpose, the hard determination of the chiefs and members of the fighting forces, seem greatly to outdistance the intensity of spirit of the civilian population.

Public Apathy

For the continued apathy of the people of Canada as a whole toward the war, for their failure to fully appreciate the measure of the effort that will be required for victory, the editors found a tendency to blame, first of all, the "breaks" of this war which have not brought Canadian troops into actual operations and, secondly, the lack of inspiration in the leadership at the top.

Time Payments, Meat, Milk Probed

(Continued from page 1)

and services as well as maximum and minimum mark-ups.

It can set the terms and conditions under which goods and services are sold by the deferred payment or installment plan or any other plan.

The board may fix or limit the quantity of goods or services to be distributed within a given time, fix the quantity that may be bought, supplied or sold by any one person; buy and sell goods and services, if necessary; seize goods and take control of services.

Control of Tariffs

If it is found that the population suffers by reason of unreasonable prices of goods, by the withholding of goods from the market or similar circumstances, the board now has the power to recommend that the tariff barrier on the goods affected be wiped out wholly or partially so as to assure reasonable competition with the domestic product.

The regulations prescribe not only that no person shall offer goods or services for sale at higher than a price that is reasonable and just, but also that no person shall hold more than a reasonable supply of goods and services for his own use or for the purposes of his business. This is a power against hoarding, for one thing.

Traction Co. July Gain

The increase in earnings of Brazilian Traction, Light & Power Co. in July was the greatest in terms of cash for the year to date, and the percentage gain over the corresponding period a year ago is nearly as good as in June. July, 1940, marked the end of a downward trend in Brazilian earnings, which have been increasing steadily since. In subsequent months, to better the 1940 figures will also imply an increase over 1939 results.

The net earnings show a gain of 26.8% against an average for the year to date of 20.44%.

Interim Earnings Statement

July:	1941 $	1940 $	Incr. %
Gross earn. ..	3,730,627	3,225,839	15.65
Oper. exps. ..	1,686,463	1,613,739	4.51
Net earn.* ..	2,044,164	1,612,100	26.80
Seven Months to July 31:			
Gross earn. ..	24,127,886	21,329,494	13.12
Oper. exps. ..	11,206,596	10,600,951	5.71
Net earn.* ..	12,921,290	10,728,543	20.44

*Before depreciation and amortization, subject to year-end adjustments.

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Labor Sore Spots Persist

Coal Mine Slowdown and War Plant Strike Continued

Despite general easing of labor tension across Canada as a whole, several sore spots persisted this week along the wartime industrial front.

At least two major holdups of war supply production were still in progress in the face of strenuous efforts of both plant officials and government authorities to bring about resumption of full scale operations.

In Toronto, 2,500 striking workers of **Canadian Acme Screw & Gear Ltd.** who walked out last week voted at mid-week to stay away from work until their demands were met. They struck before several months ago but returned to work pending conciliation board proceedings. The board advised direct negotiations, but parleys broke up and the second strike resulted after a deadlock over demands for union recognition and wage increases.

Government officials were striving to get the union and company spokesmen together in order to start operations on a normal basis at the plant, which is engaged in production of metal components for war purposes.

In Cape Breton coal mine operators were dismissing a growing number of miners who refused to cease their slowdown of output, but the rebel group of miners' union locals stuck stubbornly to their policy of retarding production as a means to get rid of the regional union executives.

Trouble appeared to be brewing in various plants in B. C., though work stoppages were being held within bounds. Elsewhere in Canada conciliation board procedure seemed to be bringing about settlements or at least restraining outbreaks of serious strikes.

Curb Coal Slowdown

As **Dominion Coal Co.** continues weeding out **Cape Breton** miners persisting in the slowdown of production, the list of dismissed workers grows steadily.

The company announced recently it would refuse pit lamps to miners curtailing production.

With dismissals already near 250 by mid-week, the "outlaw" convention of the United Mine Workers (C. I. O.) re-endorsed its slowdown programme

Chairman of the "outlaw" convention, D. J. McDonald, declared the lamping procedure was aimed at bringing about a direct strike.

Favorable results from the lamping procedure were evident at the slowdown collieries as coal production moved upward. Output as yet is well below the desired level, however.

The slowdown has already forced the Canadian National Railways to buy coal in the United States, R. C. Vaughan, president, announced. The road is able to obtain ample quantities of U. S. coal but is forced to use U. S. dollars in doing so, which might be used for purchase of vital supplies not available in Canada.

More than 8,000 miners are involved in the dispute and it is estimated production has been cut in the 14 weeks slowdown strike by 600,000 tons.

Two employees of **Acadia Coal Co., Stellarton, N.S.,** this week were arraigned in court on charges of illegal striking. The men were among 15 workers in the power plant serving the company who went out on strike, tying up mining operations of 1,200 employees.

The summonses were issued on orders from the Dominion Justice Department on behalf of the Labor Department. One man was acquitted when it developed he had been laid off by the plant superintendent after his relief worker failed to show. Decision was deferred on the other case, a man who said he was off drunk the day of the strike.

Disturbance in B. C.

Relatively free of industrial turmoil up to now, the B. C. labor front has flared up in trouble and an epidemic of strikes in vital plants has developed.

What promised to be a serious tie-up of the packing industries was halted after a few days, when employees of the **American Can Co.** plant in **Vancouver** won concessions and agreed to return to work.

American Can Company supplies the cans for British Columbia's important salmon and herring industries and the fruit and vegetable packing organizations, whose activities for the entire season would have gone for nought had the can company's stalemate continued for long. Even the four-day strike resulted in heavy losses to tomato and corn growers, but resumption of operations has made it possible for the fish packers, engaged in preparation of a record shipment to the United Kingdom, to carry out their contracts.

Other Industries

The most serious threat to industry has been provided by the workers at **Pacific Bolt Co.** plant in **Vancouver,** currently supplying about 90% of the bolts required for British Columbia's expanding shipyard industry.

Another tie-up in the steel working industry was averted when management and men of Morrison Steel & Wire Works agreed on terms.

British Columbia's No. 1 industry, lumbering, has been interrupted very little by labor trouble so far, although a few individual logging camps have been forced to suspend due to disagreement over union recognition and wages, the same issues which led to the walkout at American Can. Labor disputes in the logging and sawmill trades have largely been forestalled by voluntary increases in wages since the war began.

Causes at Arvida

Evidence before the Royal Commission probing the five-day sit-down strike at the **Arvida plant of Aluminum Co. of Canada,** has repeatedly classed the action of employees as a spontaneous demonstration against wage scales, and deductions from wages for national defense tax, pension fund, group insurance, church contributions, etc.

Protest against working conditions in the pot-room and lower bonus payments because of the dilution of labor were also voiced by workers, according to testimony.

Inspector J. R. Lemieux of the Royal Canadian Mounted Police declared investigation of federal officers failed to reveal any indication the sit-down strike was inspired by enemy action or subversive agents. The inspector said investigation showed the trouble was due to dissatisfaction with wages and working conditions at the Arvida works.

E. S. MacDougall, K.C., Commission counsel, labelled as "purely conjecture which there is no evidence to support" the statement of the Aluminum Co. superintendent, M. L. Carey, that there was evidence of the presence of agitators in the ranks of the workers.

Conciliation Setup

With appointment of Mr. Justice Alfred Savard of the Quebec Superior Court to chairmanship, foundation of the conciliation board to investigate Aluminum Co. workers' demands for increased wages, has been completed. The other two members of the board are Gerard Picard, national secretary of the Confederation of Catholic Workers of Canada, representing the employees; and Robert Devlin, K.C., Quebec, representing the company. The board likely will await report of the Royal Commission before it begins its deliberations.

Conciliation Moves

Workers of the **Lachute, Que.,** plant of **Ayers Ltd.,** producers of paper makers' felts, etc., staged a 24-hour walkout, but were ordered back to work by Dominion Textile Workers of Canada, pending hearing by a conciliation board on the dispute between management and workers. Personnel of the board includes J. A. Mann, K.C., representing the company; and Raoul Trepanier, chairman of the Montreal Trades and Labor Council and Provincial Federation of Labor, representing employees.

Trenton Settlement

A cost-of-living bonus has been granted workers of the **Trenton, N.S.,** plant of **Nova Scotia Steel & Coal Co.** and **Eastern Car Co.** The bonus, for steel workers will be $3.65 every two weeks, it is announced. Car workers will receive $3. The settlement arose out of a one-day strike at the Trenton plant, engaged in the manufacture of munitions. Trenton local of the S.W.O.C. (C.I.O.) voted to return to work.

Ship Workers Get Bonus

Following investigation of a board of conciliation, 1,250 workers of the **Halifax Shipyards, Halifax,** have been granted wage increases, a 44-hour standard working week and a cost-of-living bonus. The agreement is retroactive to Aug. 2.

Investors' Index

Sept. 6, 1941

Amer. Cyanimid 4
Bathurst P. & P. 13
Brazilian 2
Canada North. . 11
Candn. Brewer. 5
Candn. Celanese 5
Candn. Col. Air. 8
Can. Int. Paper 1
C. P. R. . . . 7, 16
Crown Zeller. 4, 8
Dosco 14
Donnacona Pap. 8
Economic Inves. 11
Fanny Farmer . 4
Ford of Canada. 4
George Weston . 13
Int. Hydro-Elec. 16
Int. Petroleum. 11
Inter. Utilities . 14
Maple L. Mill. . 7
Mod. Containers 4
Quebec Pwr. . 4, 8
Trans-Can. Air 3, 8

MINES AND OILS

Bonetal 15
Buff. Ankerite . 15
Calgary & Edm. 15
Calmont 14
Camp Bird ... 14
Camrock 15
Cons. Smelters . 14
Duquesne. ... 15
Halcrow Swayze 15
Home Oil 14
Hugh-Pam Porc. 15
Keyroc 15
Kirkland Lake . 15
Laflamme Synd. 14
MacLeod-Cock.. 14
Malartic G. F. . 14
Mosher 15
Nabco Mangan.. 15
O'Brien 14
Sanymac 15
Senore 15
Sheep Creek . . 15
Siscoe 15
Spina Porcupine 15
Sylvanite 14
Teck-Hughes . . 14
Uchi 15
Vinor Barraute . 14
Wendigo 15

REGULAR FEATURES

Banking 10
Bond Markets 8
Bond Quotations 12
Business, Week in 7
Commodities 13
Editorial 6
Foreign Exchange 14
Insurance:
Fire and Casualty 10
Life Insurance 10
Investment Trends 4
Enquiry Letters 11
Market Opinions 4
Stock Quotations 12
Mining, Week in 14
Mining Quotations 13
Oils, Week in 14
Oil Quotations 12
Pulp and Paper 8
Wheat, Week in 13
Wheat Quotations 13

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Canada Treasury Bills	Aug.		...	Nov. 28, '41	$40,000,000	99.883	.381%

London Calling

By Atticus

Westminster Clash — "It Must Be Disappointing to Pose as a Cynic and Merely Reveal Oneself as a Cad"

LONDON.—A holiday is a thing of the spirit, and since we cannot really have one this year let us recall Shakespeare's lines: "If all the year was playing holidays, To sport would be as tedious as to work." Bernard Shaw went one better when he said that a perpetual holiday was a good working definition of hell.

* * *

Strong Words

The trouble with a Parliament prolonged beyond its time is a too complete familiarity. We know each others' faces too well, our points of view have been long established, and there is a general lack of unexpectedness in our discussions. Even Mr. Churchill in the war production debate looked as if he could bear a short separation from us with equanimity. He was in good form, though, and his physical and mental powers showed no signs of strain.

It was left to Mr. Ernest Bevin to administer the most severe rebuke heard in Parliament for many a long day.

Referring to a recent attack upon himself by an M.P., he remarked that it must be disappointing to pose as a cynic and merely reveal oneself as a cad.

That has an uncompromising quality like the blow of a boxer which catches his opponent coming in instead of when giving way. On the whole a short parliamentary interlude will not be amiss even if Mr. Mander may have to ask himself questions for a little space.

* * *

Over There

That dwindling strip of water known as the Atlantic Ocean has been flown for the first time by a member of the Royal family. The Duke of Kent, who has been attached to the Air Force since the outbreak of the war, crossed in a four-engined 18-ton American airplane which did the journey in the preposterous time of nine hours. The Duke's verdict on the flight was "reasonably comfortable, but very tiring." I must confess that I look forward to the days when we shall once more saunter across to America on luxury liners. And if that sounds reactionary and against the spirit of the times, I am unrepentant.

Accompanying his Royal Highness is the indefatigable Wing-Commander Sir Louis Greig, who is 61 by the calendar, but is just the same in appearance as when he was 41. He has been acting as personal secretary to Sir Archibald Sinclair, and holds a high view of the Air Minister's qualities. Sir Louis will charm everyone across the Atlantic for the simple reason that he likes people.

He has long been a close friend of all the sons of King George V, and the Duke will find his company a solace after the innumerable engagements that will be thrust on him in the New World.

Sir Louis will be almost a legendary figure to the Americans with his record, of having been at various times Usher in Ordinary to the King, Extra Gentleman Usher, Deputy Ranger of Richmond Park, as well as a Surgeon-Commander and an airman in the last war.

Nothing could have been better than for the Duke of Kent to go over there at this time, and it is welcome news that he is visiting President Roosevelt at the White House. Wherever he goes he will do valuable work, and we hope that his return will be just as comfortable but not so tiring as his outward flight.

* * *

Dorothy Thompson

The remarkable interest in Miss Dorothy Thompson and her work was again shown when nearly a thousand people attended the reception which Lord and Lady Kemsley gave in her honor at the Savoy. There were statesmen among them and diplomats, representatives of the Services, of the arts and of every phase of culture here in London. Many journalists, of course, including Americans who wished to join in the welcome to their countrywoman. I noticed also the mayors of some badly blitzed London boroughs. For them, and indeed for all of us, parties of this kind are now rare. It was this which gave it a special zest.

The war has separated people who used to have frequent opportunities of meeting; and here one dropped into agreeable talk with many friends whom one had not seen for a long time.

* * *

Dreams of Youth

There is undoubtedly something about the Austrians. This profound thought occurred to me the other day when, with half a dozen representatives of both Houses, I attended the inaugural ceremony of the Austrian Youth Movement in London. The Archduke Robert and other young Austrians in London had prepared the function with the zest of schoolboys, and with very limited funds.

The ceremony was timed for 6.30, but, in the Austrian fashion, did not start quite at that hour. A charming Austrian boy introduced the youthful Doctor von Albert, who told us about Austria for 25 minutes. The great Moiseiwitsch was there, too, and favored us with 20 minutes of Chopin and other more robust composers on the piano. He always gives me the impression of having mastered music without really liking it very much. But what a technique!

It was moving to hear these young Austrians proclaiming their faith in the future, their contempt for the Hun, and their determination to work in the factories here or serve in the fighting forces.

* * *

Luxury liners to America . . . Moonlight in Vienna . . . I hope they both come back to us.

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T. C. A. Extends Traffic Gains

From Our Own Correspondent

MONTREAL. — Air mail and passenger traffic of Trans-Canada Air Lines during July moved to record ground for the fifth consecutive month.

Passengers carried during the month totalled 9,628, compared with 8,958 in June, and 5,098 in July, 1940.

Company planes carried 129,243 lb. of mail during July, more than 10,000 lb. greater than in the preceding month and more than double the volume in July, 1940.

Air express was highest in the company's history, amounted to 20,397 lb., an increase of more than 5,000 lb. over June. Both weight and number of shipments were heavier during the month.

Fisheries Show Market Gain

From Our Own Correspondent

MONTREAL. — Canada's fishing industry returned last year to the most satisfactory operations since predepression days. In terms of dollar volume 1940 was the best since 1930, but still substantially below peak years.

Value of fish products marketed in 1940 amounted to $45.1 millions, compared with $40.1 millions in 1939, an increase of $5 millions, or 13%, according to the Dominion Bureau of Statistics.

In 1930 production was valued at $47.8 millions. In the last year of the first Great War value of fish marketed amounted to $60.3 millions.

Sea fisheries contributed $38.9 millions, or 86% of the 1940 total, and inland fisheries $6.2 millions, or 14%.

The salmon fishery was the largest single contributor, with total marketed value of $14.2 millions, of which British Columbia was responsible for $13.8 millions, or 97% of the total.

Herring was second in dollar volume, with marketed value of $6.3 millions. Cod was third with $5 millions and lobster fourth with $3.2 millions.

B. C. First Producer

Because of the predominant position of the British Columbia salmon industry it led the provinces from the point of dollar production. The province accounted for 48% of total Dominion fishing income. Nova Scotia was second with 22% of total production. Others were as follows: New Brunswick, 11%; Ontario, 7%; Quebec, 4%; Manitoba, 4%; Prince Edward Island, 2%, and Alberta and Saskatchewan with 1% each.

The fisheries, both in primary and processing operations, were large employers of labor. Number of fishermen employed during 1940 totalled 68,817, compared with 68,941 in 1939. The sea fisheries employed 54,816 and the inland fisheries 14,001.

There were 15,044 persons employed in fish processing operations in 1940, largely of a seasonal nature.

Newfoundland Changes Currency Regulations

The Newfoundland Foreign Exchange Board has announced that it will not accept unofficial "free" Canadian dollars in respect of benevolent and personal remittances from the United States after Sept. 1. This action has been under consideration for some time.

How to Revitalize City Property

Urban Land Institute Completes Fourth Study

The Urban Land Institute of Chicago has just published its special study on Milwaukee, fourth in its studies of 12 major cities and of importance to real estate, business and financial interests both of the United States and Canada.

The Urban Land Institute, Chicago, is an independent agency organized to study trends affecting real estate and to advance research in replanning and rebuilding cities.

Proposals for revitalizing the hearts of the four cities already studied (Boston, Cincinnati, New York and Milwaukee) to make them more agreeable for residential and business purposes, to attract new trade and industries and to raise their social and economic values, include steps to meet the following needs:

1. A long-range housing programme which would include restoration of blighted close-in areas and efforts to make the cities more compact.
2. Revision of building codes to make zoning regulations more constructive and more in line with actual requirements.
3. Immediate action for traffic and transportation betterment including more off-street parking facilities and the by-passing of through traffic around the business district.
4. Consolidation of multiple municipal governments into one system supported by the entire metropolitan area.
5. Assessment of real estate on a basis justified by current earnings.
6. Firm action to abolish overhead signs, billboards, smoke, noise, and catch-penny sidewalk businesses.

Building Needs Cited

Although Milwaukee's city government is credited in the Urban Land Institute report with being one of the cleanest and most efficient in the country, its central district building activity is shown to have enjoyed a Rip Van Winkle siesta. No dwelling structures have been built in the central business district since 1930, and more than 70% of those now standing were built before 1894. About 47% of the nonresidential structures in the central district were constructed before 1896.

Of nearly $76 millions spent for new buildings in the Milwaukee metropolitan area in the five years 1936-40, less than 2% was for construction in the central business district. About 54% was spent for suburban building in the same period. The rest was for new buildings in the city proper exclusive of the central district.

In common with other big cities, Milwaukee is losing many of its citizens through an outward movement of population. The Urban Land Institute report shows that Milwaukee County has increased in population in the past decade almost four times as rapidly as the City of Milwaukee. In this outward flight former city residents become disfranchised, it is shown, and lose their voice in civic affairs although they must inevitably gain or lose through public undertakings in which they are denied participation.

Keeping Posted . .

By J. C. KIRKWOOD

Monoxide now stands as the Fifth Columnist among poisons. So says H. Dyson Carter in the Sept. 1 issue of Maclean's Magazine, titled "Invisible Villain."

Monoxide has been discovered to be the real explanation of many, many motor-car accidents, for it will render the driver less efficient or more liable to an accident as a consequence of an exhaust leak.

Monoxide can drastically affect drivers. Braking speed will be reduced. Another's grip will be loosened. Normal eyes may be "tunnel blinded," so that vision is good only straight ahead. Commonest menace of all is the universal monoxide symptom—slowly creeping drowsiness. Here's an article which every motor-car driver should read.

* * *

Biggest Bar

Brantford, Ont., has the largest cosmetic bar to be found in all the Tamblyn stores in Ontario. In the first six months of this year sales were up over 16% for all the Tamblyn stores over the figures of the six months' period of 1940. The 1941 sales for the first six months of this year totalled over $2 millions.

* * *

New Super-theatre

British Columbia has the biggest forests, yet no lumber whatsoever has been used in the construction of the new Vogue Theatre in Vancouver. It has been built entirely of fireproof materials and is the first downtown movie theatre to be built in Vancouver specially for sound.

There are no square corners. Provision has been made for vaudeville entertainment and the star's suite has a private bathroom. There are quarters for usherettes and janitors, highly styled. A description of this new theatre, from the decorative point of view, appears in the August issue of Canadian Paint and Varnish Magazine.

* * *

Vitamin Pusher

It isn't only druggists who are pushing vitamins. Grocers are doing it. Take Gordon Joedicke, who has a market store on Bloor Street West, Toronto.

He came to the conclusion—so says Canadian Grocer—that it is a psychological time to display vitamin foods. "People are getting more and more conscious of vitamins," he says, "and that's the reason I set up the display. I had been selling all these items in the store and had introduced two or three which were new." By massing his vitamin foods in a special display Mr. Joedicke has increased his sales of them.

* * *

Don't Know Yet

Which is the better position, from a fuel consumption point of view, for a chimney—having the chimney inside the house or on an outside wall? The right answer is not yet available; it awaits the results of a test to be made by the I-B-R Research Home of the University of Illinois, which house is the most completely equipped one in the world for the study of heating.

* * *

100 Gallons Daily

The consumption of water per capita per day in Ontario averages 100 gallons. The minimum is 28 gallons and the maximum 427. Authority for these figures is Vernon S. Baker, chief plumbing inspector, London, Ont.

His address at the 1941 annual convention of the American Society of Sanitary Engineering, St. Louis (printed in Sanitary Engineer for August), dealt with the water supply of Ontario. Of Ontario's public water supply systems, 71.2% are using surface water; 28.2% use underground supply. Ontario is abundantly supplied by Nature with a yearly precipitation of from 30 to 40 inches of rain and a veritable network of clear, fresh streams and lakes.

Eighty per cent of the water delivered to the consumer through public water supply is chlorinated. Gradually our cities are adopting the examination and qualification of plumbers.

* * *

Lady Busman

British Columbia has a woman bus driver—the first and only one to be licensed for this sort of work in the province. Her name is Florence Kyme. Before she was allowed to operate the bus she had to pass a written examination and a medical examination for a class A chauffeurs' license. She makes 48 trips daily between the Sea Island airport of Vancouver, and Marpole, where connections are made with city and interurban street cars.

* * *

Fleet of 2,000

The international company, Standard Brands, makers of Fleischmann's years, Chase & Sanborn's coffee and teas, Royal baking powder, and other extensively advertised food products, has a delivery fleet operating in Canada, United States, and Central and South America, totalling close to 2,000 cars.

An account of the fleet servicing Quebec is found in the August issue of Bus and Truck Transport in Canada. Standard Brands drivers are carefully chosen and trained. A number of them have records of nine years without a fault. Company records show a percentage of one accident to 55,000 miles of travel.

* * *

Shoddy to be Shabby

The September issue of Chatelaine features the high school girl and her sister in college—particularly in relation to what they wear; and so will be of much interest to all mothers of school and college girls.

Kay Murphy, in her article on "Fashion Shorts," passes on a new slogan from Britain—"It's smart to be poor, but it's shoddy to be shabby."

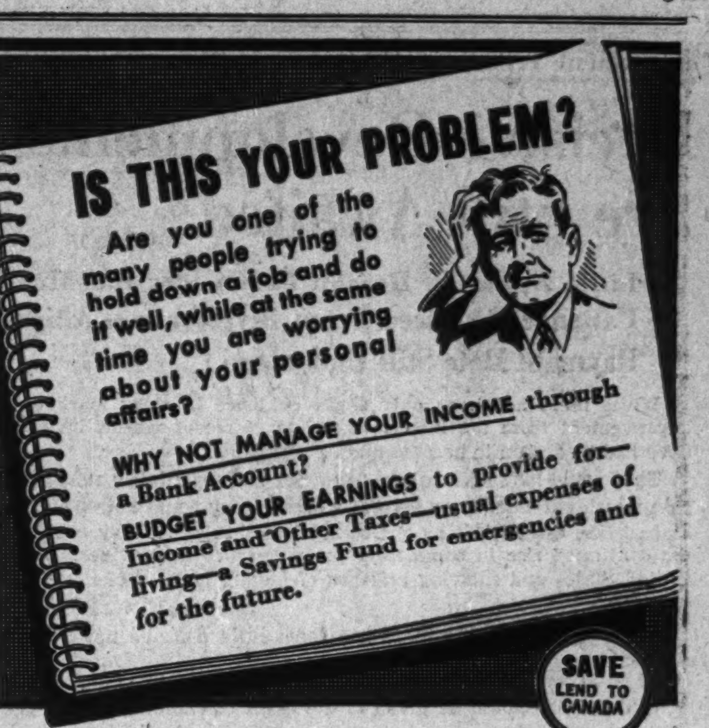
* * *

Aggravation

Even if you have plenty of money you cannot buy everything your eyes see in a London retail store window or shop. You may see a refrigerator—though refrigerators are rare—yet if you want to buy one you must have a government order and it must be used for war work—in a canteen, for example.

Razors are scarce and so are blades. A mattress is not easy to get and the same is true of many electrical utilities — a toaster, for example. If you have a sweet tooth, then you will have to practise self-denial. But you can spend a £5 note on 6d. books without caution. A cookery book, easy to buy, is an aggravation, for what use is a cookery book without having things to cook?

A picture of "shopping in wartime London" is given in Hardware & Metal for Aug. 16, which issue is the 53rd annual fall buying and directory number, a fat issue containing 236 pages.


IS THIS YOUR PROBLEM?
Are you one of the many people trying to hold down a job and do it well, while at the same time you are worrying about your personal affairs?
WHY NOT MANAGE YOUR INCOME through a Bank Account?
BUDGET YOUR EARNINGS to provide for— Income and Other Taxes—usual expenses of living—a Savings Fund for emergencies and for the future.
SAVE LEND TO CANADA

CURRENT ACCOUNTS—For business and Personal Payments.

SAVINGS ACCOUNTS—For special-purpose and Investment Funds.

SAFETY DEPOSIT BOXES — For Securities and Valued Papers.

LOANS — It is a satisfaction and convenience to be in a position to borrow when necessary at the reasonable bank rates. Credit with a Bank or elsewhere is based on confidence and a good opinion of reputation and ability.

These and all other Banking Services are available to you at this Bank and your active use of them will be welcomed.

The BANK of NOVA SCOTIA

EST'D; 1832—OVER A CENTURY OF BANKING EXPERIENCE

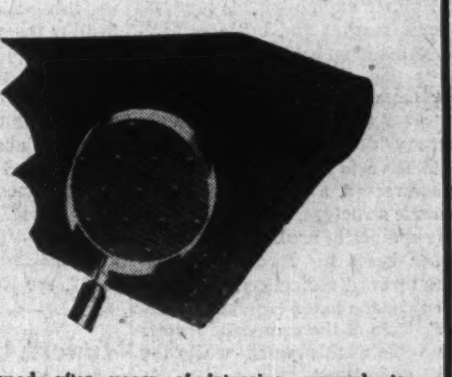
27 YEARS OLD

Yet this JOHNS-MANVILLE roof is STILL GOING STRONG!

● Want a roof that will defy fire, sun, snow, rain and wear and give years of protection with *a minimum of costly maintenance?* A Johns-Manville roof is the answer — and the illustration above proves it! This J-M Flexstone Asbestos Smooth-Surfaced Roof was applied on the B. C. Sugar Refining Co.'s raw sugar warehouse at Vancouver, in 1914. Today—after 27 years—the roof is *still in excellent condition!* And, what's more, it's good for still more years of economical service. Here's why it will pay *you* to get a J-M Roof. From J-M's wide range you can choose a roof that is exactly suited to the particular job . . . a roof that is backed by years of scientific research and development. And, best of all, a roof that has *proved* its ability to give maximum service at low cost. For information on J-M's complete line of fire-, weather- and wear-resisting roofing materials write your nearest Canadian Johns-Manville office.

Newest Roofing Development

J-M PERFORATED ASBESTOS FELT



Developed after years of intensive research to increase roof service by greatly reducing "blistering", J-M's 15-lb. Perforated Asbestos Felt contains millions of tiny perforations which allow trapped air to escape from underneath the felt during application. Just another reason for specifying industrial roofing materials by Johns-Manville.

How new 15 lb. J-M Perforated Asbestos Felt reduces Blisters

WHEN ORDINARY FELTS ARE USED

Air is trapped in slight irregularities in the roof deck and later expands under the sun, causing "blisters".

WHEN THE NEW 15-LB. PERFORATED FELT IS USED

Air is expelled through the holes; the new perforated felt adheres to the deck at all points. The tiny holes seal themselves.

JOHNS-MANVILLE JM PRODUCTS

CANADIAN JOHNS-MANVILLE CO. LIMITED

Mine and Factory at Asbestos, P.Q.
Toronto, Montreal, Winnipeg, Vancouver

JOHNS-MANVILLE

• J-M BUILT-UP ROOFS • J-M CORRUGATED TRANSITE SIDING • J-M INDUSTRIAL FLOORING • J-M INSULATING BOARD PRODUCTS • J-M ASBESTOS WALLBOARDS • J-M ROCK WOOL INSULATION • J-M INDUSTRIAL INSULATIONS • J-M REFRACTORIES • J-M ACOUSTICAL SERVICE AND MATERIALS • J-M PACKINGS AND GASKETS AND OTHER ESSENTIAL MATERIALS FOR FACTORY, MILL, SHOP, OFFICE

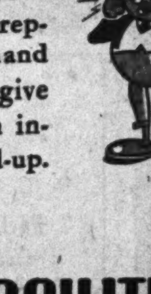
"DON'T TALK NAIL POLISH TO ME WHEN I'M RUSHING TO SERVE DINNER"
NAIL POLISH ! ? ?

YOUR TIMING'S SWELL FOR *MONTREAL* —HOW ABOUT MOOSE JAW?

NETWORKS are great when you're running North and South on the same time belt—but Canada runs East and West across five time belts. When they're sitting down to dinner in New Westminster, they're getting ready for bed in New Carlisle. The network that hits the high spot of the day in Charlottetown may not click at all in Calgary.

That is why more and more of the *wise* radio buyers are turning to national spot programmes over All-Canada. All-Canada is the exclusive representative of key stations right across Canada. This enables you to select the time of day that's best for your product in each locality — key your programme and commercials to each local market—assures you every advantage of network cooperation, *plus* every advantage of private station high spotting. This combination assures sales results.

If you are not served by a recognized advertising agency, ask your nearest All-Canada representative to drop in and talk it over. He'll give you the breakdown instead of just a build-up.



ALL CANADA

ALL-CANADA RADIO FACILITIES *Limited*

MONTREAL • TORONTO • WINNIPEG • CALGARY • VANCOUVER

Investment Trends

Decisive Developments Are Still Awaited

Little Apparent Reason For Worry But Much Patience Required From Investors — Abitibi Payment Date Still Undecided

While there has been only slight evidence in stock markets of improvement from the indecisive moves of recent weeks, investors have had no reason to become unduly disturbed.

They could look back to early summer and see a fairly substantial gain which extended over several weeks. They could note new 1941 highs being established by a growing list of stocks. They could see the continued rise in commodity prices, particularly evident in the United States and showing no signs of ending in spite of much talk of controls.

From the war fronts there has come little decisive news, either good or bad. The war undoubtedly exercises a strongly cautionary effect on investor psychology.

Close study should be given to the effect of cumulative shortages of many materials on companies. The effect may be only temporary but in many cases appears likely to last for the duration of the war. Where substitute materials can be found, or other lines of activity adopted, no harm may result. But investors need to be in continual and careful study of this factor, one which must be considered in determining the comparative desirability of different securities.

* * *

That Abitibi Payment

There is still no word as to when holders of Abitibi bonds can expect payment of the $130 per $1,000 of principal which was authorized by Mr. Justice Middleton early in June. The delay has caused misgivings among many bondholders to judge from letters to The Financial Post.

The trouble appears to rest with the Montreal Trust Co. As trustee for bondholders, the Montreal Trust Co. has charge of the many details to be arranged before this payment can be made. Just recently, it is understood, renewed pressure has been brought on the trust company by bondholders to get this money paid.

Tentative approval of the payment has been obtained from the Foreign Exchange Control Board, the Dominion Income Tax Department and the Alien Property Custodian.

The F.E.C.B. has agreed to provide foreign exchange at the official rate to pay non-resident bondholders; the income tax department has agreed to accept the payment as a return of principal and thus not taxable; the Alien Property Custodian has agreed that the customary procedure which would prevail under any commercial transaction will apply.

Still to be arranged is the setting of a date after which interest will stop accumulating on the principal to be returned and the actual date of payment. These will be set by the Ontario Supreme Court on application by the trustee.

* * *

Want Formal Notices

One reason given for the delay is that the arrangements with the three authorities mentioned have been verbal and the trust company wants them in writing. Formal written approval, however, apparently must await setting of actual date of payment and completion of all details. Formal rulings by government boards, or departments, are only made on concrete cases and not hypothetical examples.

Whatever the reason for the unexpected delay in making the $130 payment on each bond, it is thought action in the relatively near future is likely but no forecast of dates can yet be obtained. Also held up by the delay has been any further action by the bondholders' committee for a new sale attempt. This move appears definitely in prospect in defiance of any Ontario legislation to prevent judicial sale, the committee holding that recent Ontario legislation regarding Abitibi is ultra vires the province.

* * *

No Storm Signals

"There are at present no storm signals to indicate a reversal in the trend of security prices," states the most recent weekly letter of E. G. Bulmer & Co., Toronto.

Some months ago The Financial Post published a series of articles by Mr. Bulmer explaining his methods of stock market and business forecasting based on banking figures. He admits that "any particularly bad news from Europe could cause a temporary drop in prices, but before a steady decline developed there would have to be, according to our 14-year record, a breakdown in the economic structure."

The composite bank line on which Bulmer bases his forecasting continues upward indicating "a continued expansion in the economic structure." Two of the composite factors are up again this week while the third has declined.

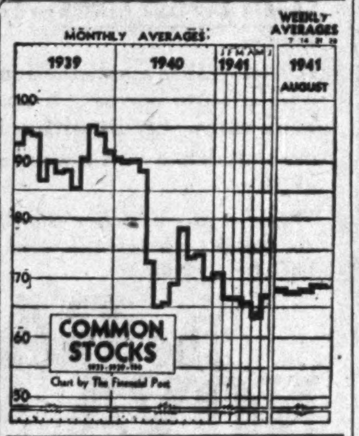
* * *

E. P. T.—Two Models

In contrast with the Canadian tax which bears heavily on the industries which are not expanding in the war, the British Excess Profits Tax is beginning to show its brighter side to investors. While the Canadian 75% tax puts an elastic ceiling to earnings, the British 100% tax is a solid barrier to increases. But if the British tax is more rigid on the upward side, it also places a floor under the shareholders' equity, in that profits up to the standard are not taxed.

A British company in the position of our more stable companies would thus not experience any difficulty in continuing pre-war dividends, so long as profits before taxes are maintained. Omitting provincial income taxes, a Canadian company now paying the 40% tax must increase its operating earnings 41 2/3% to break even on net profits arrived at under the old 15% tax.

The floor that has been placed below British dividend payments goes far to explain the fact that the British Industrial Index is now nine points above its 1939 low, while the Toronto Stock Exchange Industrials are four points lower, the Montreal index three points lower.



Market Opinions

No new indications are seen by last week's developments by most market students.

Brookmire Counselor, N.Y.—Earnings reports continue to reveal a definite, though somewhat spotty, expansion in corporation profits. Widening restrictions at home, and war developments abroad, however, may exert a tempering influence on market psychology. Clients should retain the moderate cash existing in their funds, but the bulk of their holdings in well-diversified sound stocks should be maintained intact.

* * *

Barron's, N.Y. (The Trader)—Ultimately, there is every reason to suppose that America and the stock market will adjust habits and trains of thought to war and its attendant disclosures. Not forever will cash lie idle by the billions. In London stock prices are back fully to the level prevailing prior to the panic which followed the invasion of the Lowlands. Meantime, however, the tedious process of adjustment may continue, and, for the short term only, the New York stock market is on the defensive until activity and convincing strength develop.

* * *

Financial World, N. Y.—With the outlook remaining one of advancing costs of all kinds to the individual, and of aggregate corporate earning power more than sufficient to sustain the prevailing dividend structure, investment policy calls for the maintenance of positions in good grade income-producing stocks. Selected non-dividend issues frequently give one more of a run for his money in active bull markets, but seldom earn their keep during periods of market dullness.

* * *

Barron's, N. Y. (The Dow Theorist)—At last week's closing highs, the Dow-Jones industrial and rail averages had recovered about 55% and 58%, respectively, of their declines from their July 28-August 1 peaks. Aside from the fact that the minor trend can now be considered up, this action produced no change in Dow theory interpretations of the trend. The major movement must still be considered to be down, while the secondary trend was last indicated to be up. A rise in the averages now above their summer highs of 130.06 and 30.88 would signify that the secondary advance which began in May is still under way, but would have no bearing on the major trend until the industrial average reached 138.12, the Nov., 1940, high.

Modern Containers Sales Running High

Sales of Modern Containers Ltd. are running considerably ahead of the corresponding period of 1940, it is stated. Plants are operating at capacity. Pressure of orders has brought deliveries about two months behind schedule and plans are being considered for starting a second shift.

In spite of higher costs, earnings are expected to compare favorably with last year when the company reported $1.51 a share on its common.

An extra dividend of 10 cents a share has again been declared on the common, payable, along with the regular 20 cents payment, on Oct 1, 1941, to shareholders of record Sept. 20.

Cyanamid Stock Change Approved at Meeting

Simplification of the American Cyanamid Co. preferred stock has been approved by shareholders at a meeting held August 25.

Under the plan holders of all three series of the 5% cumulative convertible preferred stock will receive similar 5% non-convertible preferred stock of a single series. The same dividend rate, 5%, will be maintained as will the par value of $10 and call price of $10.50.

To Strengthen Wage Policies

Dominion May Move in on Provincial Preserve

By STAFF WRITER

OTTAWA.—Next and logical step to implement Canada's newly created economic control machinery is control by Ottawa over all wage rates and wage policies both in war and non-war industry.

Two lines of action are indicated:

1. Strengthening of P.C. 7440 by putting teeth in the present "persuasive" control respecting wage rates in war industry.

2. Extension of federal control on wage matters into non-war industry by assumption of powers now exercised by provincial governments.

When P.C. 7440 was amended and strengthened a few months ago, the cost of living bonus was made mandatory as the official method of dealing with wage increases in government contracts. The policy was recommended for adoption by all employers. Co-operation was sought in getting each province to implement the programme in non-war industry.

Non-war industry was left, however, where it has traditionally rested, in provincial hands. Nor were any steps taken to place an absolute ceiling on wage rates.

It is the need for greater control of increases in basic wage rates, and the need of extending wage control into non-war industries which now loom as the next important step to complete the new control machinery announced officially from Ottawa last week.

As forecast in The Financial Post last week, this reorganization has now been completed to the point where Hector B. McKinnon, as chairman of the enlarged and strengthened Wartime Prices and Trade Board, is given totalitarian powers over all prices, and R. C. Berkinshaw has been given (under Hon. C. D. Howe) complete authority over all matters affecting war supply. As well, the two boards have been linked through cross-membership so that their policies will be co-ordinated to the greatest possible extent.

Actually Canada's wartime wages policy is still under control of the Department of Labor. But in his address at the directors' luncheon at the Canadian National Exhibition last week (see page 9) Mr. Berkinshaw stated very emphatically that in his view (and presumably he spoke with the blessing of his minister) there can be no effective control of war supply unless and until there is considerably more control over wage rates than there is at present.

A similar view is said to be shared by officials of the Prices and Trade Board. Their efforts to control the cost of living and put a ceiling on prices is limited in large measure by what happens to wage rates. Unless the powers which this board has been given in respect to prices is extended with equal authority and decision to wages, then their new authority and power will be weakened if not nullified.

Already, in respect of the new Prices Board powers, the Dominion government has created a precedent and moved in unhesitatingly to control price situations such as milk which had heretofore been considered a provincial preserve.

By the same token it is expected that Ottawa will move shortly to extend its wage control and authority into non-war industry by extending wage control into areas now deemed under provincial jurisdiction.

So far the Department of Labor has been content to write letters to individual provincial authorities informing them of the government's wage policy and seeking their co-operation in extending this policy to non-war industry.

The next move is clearly to assume that wage control in all industry (along with price control in all commodities) rests now with the federal authority.

City Dodges Postwar Pains

Hamilton Moves To Avert Slum-Relief Problems After War

The City of Hamilton is already taking steps to head off post-war problems, Controller Nora F. Henderson told the Ontario Municipal Association last week in Toronto. The city has the agreement of the Dominion Government that houses erected by Wartime Housing Ltd., temporary homes which do not come up to the city's health and building bylaws, will be removed by the Government as soon as can be reasonably expected after the war.

Although many of the economic controls placed in effect during the war can be expected to survive after the war, according to Controller Henderson, this cannot be expected to prevent a severe unemployment situation.

In order to insulate the city's financial stability and protect its other services, Hamilton has agreed with the provincial government that war workers who have come from other centres shall not be granted citizenship in Hamilton during the war years. In the event that they become unemployed after the war, they will thus have to return to their own municipalities to receive relief.

Must Avoid Recurrence

If a post-war unemployment situation is to be faced, Controller Henderson emphasized that municipalities must avoid a recurrence of the developments of the 1930's when municipal finances cracked under the relief burden. With their principal sources of revenue from inelastic property taxes, municipal authorities cannot assume burdens which properly belong to the provincial and Dominion governments with their ability to spread the burden more evenly.

Cure of unemployment through public works, as has been recommended frequently, is not a field for the municipality, she declared. Although public works are being restricted in Hamilton for the duration of the war, it is in order to conserve the taxpayer's dollar for Dominion taxes and loans. The high taxes that would follow a public works programme launched by a municipality would discourage new builders and ultimately prevent the municipality from rendering its proper services to its citizens.

The City of Hamilton has therefore announced its intention of confining post-war public works to the minimum of essential services.

By so doing, the city has publicly rejected any responsibility for future work-making projects that may develop, and Controller Henderson recommended that a similar stand be taken by other municipalities. Only through immediate action can municipalities avoid the slum and unemployment problems that may develop out of the wartime shift of population.

National Industrial Conference Plans

To clear up an apparent misconception on the part of some, the National Industrial Advertisers Association, which is holding its anual conference in Toronto, Sept. 17-19, announces that non-members are completely free to attend the conference. Non-members are welcome, and may register for the three-day period or one day, as they please.

The committe also announces that a programme has been planned for wives of those attending.

Luncheon at the Guild of All Arts Wednesday followed by a tour to see artists and craftsmen producing handicraft articles and objets d'art in the Canadian tradition;

Publishers' reception at 6.16; tour through "Little Norway" headquarters of the Royal Norwegian Air Force, where training is in progress. On thursday, refreshments at the Royal York Hotel, prior to the annual banquet and dance. Visit to the Royal Ontario Museum, Friday.

Investment Notes

Ford of Canada—Barron's, New York financial weekly, this week ranks Ford of Canada, along with General Motors and Chrysler Corp. as "approaching semi-investment status" and "perhaps entirely suitable for the needs of many investors."

Barron's feels that these three leading automobile makers "have little or no chance of holding their earnings at levels of recent good years" in spite of tremendous arms orders because of the smaller profit margins on such business compared with the ordinary lines.

Barron's holds, however, that past records and balance sheet positions "definitely suggest continued disbursements to shareholders, although current rates may be lowered if earnings dip too sharply."

* * *

Quebec Power Company is listed in the latest awards of construction contracts by the Department of Munitions & Supply for two electrical construction jobs.

First is for $31,000 for the Dominion Arsenal at Quebec, the second is for $28,000 for the Valcartier Arsenal. Other contracts of more than $25,000 granted to firms in which there is an investment interest include the following:

Dunlop Tire & Rubber	$135,124
Ford Motor Co. of Canada	178,780
Noorduyn Aviation Limited	25,315
National Steel Car Corp...	106,142
Can. Westinghouse Co. ...	910,149
Canadian Marconi	96,659
McColl Frontenac Oil Co.	177,275
British American Oil Co..	236,071
Imperial Oil Company ..	54,980
Atlas Steels Limited	223,239
Canadian Car	58,500
General Steel Wares Ltd.	746,000
Algoma Steel Corp.	477,894

Canadian Celanese Ltd. To Pay Extra Dividend

From Our Own Correspondent

MONTREAL.—Canadian Celanese Ltd. has declared an extra dividend of 25 cents a share on the common stock, payable Sept. 30 to shareholders of record Sept. 16, along with the regular quarterly dividend of 25 cents a share.

This payment brings extra disbursement for the year to date to 50 cents. There were dividends of $1.90 a share in 1940, of which 90 cents represented extra payments.

Significant Investors' Index Numbers

No. of Securities	Mach. equip. and 8	Pulp paper and 7	ing Mill- 3	Oils 4	Textiles and ing cloth- 10	Food and prod. allied 12	ages Bever- 7	mater. Bldg., 15	Power and tion trac- 15	Banks 8	Total ties utili- 19	co's. Total 95
(Base 1935-39=100)												
1929-40:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1941:												
Monthly Figures:												
Jan.	77.6	74.1	72.3	51.6	110.6	96.3	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.8	69.5	48.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Mar.	73.6	65.4	69.5	49.5	103.1	87 9	93.7	78.5	67.0	89.9	70.7	66.8
Apr.	73.2	63.9	68.6	49.4	101.3	88.6	88.1	77.8	62.2	89.7	68.2	65.8
May	71.8	59.7	63.4	51.3	97.4	88.6	82.8	74.4	60.3	88.3	65.2	63.9
June	72.0	59.5	67.5	48.0	101.1	90.1	87.3	74.9	62.0	89.0	67.1	64.0
July	76.3	66.1	67.5	48.4	105.7	90.5	94.3	77.8	65.3	89.7	70.6	67.5
Weekly Figures:												
Aug. 7 ..	77.2	70.4	71.3	49.8	107.9	91.4	95.5	80.0	64.6	89.6	71.5	68.1
Aug. 14 ..	76.3	67.5	71.8	48.7	105.2	91.3	94.0	79.0	64.4	89.8	71.2	67.5
Aug. 21 ..	77.2	68.6	74.5	49.0	105.9	92.2	94.9	79.3	63.7	89.6	70.8	67.7
Aug. 28 ..	76.5	74.2	72.0	48 8	106.2	92.4	98.3	80.4	64.9	89.7	71.4	68.0

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Sept. 2	95.35	101.43	71.65	19.56
Sept. 1	Holiday			
Aug. 30	94.51	101.21	70.20	19.56
Aug. 29	94.02	100.82	70.06	19.52
Aug. 28	94.36	100.82	69.85	19.65
Aug. 27	94.13	100.94	69.65	19.59
Month ago ..	96.29	102.42	69.32	19.46
Year ago	99.13	96.94	65.73	21.71
High 1941 ...	103.48	109.76	71.65	21.62
Low 1941 ...	85.87	95.68	59.30	16.73

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Sept. 2	45.1	63.9	57.6	84.87	71.74
Sept. 1	Holiday				
Aug. 30	44.5	62.5	56.5	81.29	71.55
Aug. 29	44.4	62.2	56.3	80.68	71.55
Aug. 28	44.6	61.2	55.7	80.43	71.51
Aug. 27	44.5	61.3	55.7	79.87	71.31
Month ago .	45.4	60.1	55.2	75.05	72.80
Year ago ..	53.9	66.0	62.0	90.42	70.28
High 1941 .	54.3	66.4	62.3	84.87	79.99
Low 1941 ..	42.1	53.3	49.3	58.96	67.38

Crown Zellerbach Net Profit Held

From Our Own Correspondent

MONTREAL.—Crown Zellerbach Corp. and subsidiaries report net profit for the quarter ended July 31 of $2.3 millions, equal to 70 cents a share on the common stock. This compares with $2.2 millions, or 69 cents a share on the common stock in the corresponding period last year.

Provision for federal income tax has been calculated on the basis of the 1941 revenue bill now being considered by Congress for the past quarter. The amount provided is $379,000 greater than that required under the revenue acts of 1940.

All plants of Crown Zellerbach in the United States operated at capacity during the quarter.

Construction Sags 11% Below 1940 Level

Drop in Factory Building Chief Factor in August Decline

New building operations in Canada, which have shown persistent signs of easing off for several months past, definitely sagged below the 1940 level in August. Total of construction contracts awarded during the month, as compiled by MacLean Building Reports, showed a drop of more than 11% below the same month last year.

Chief factor in the decline, which in amount was $4.6 millions, was a marked shrinkage of over $7 millions or 48% in the total of awards for industrial construction. This reflects the tapering off in new outlays for war plants and equipment as Canada's war industries swing closer to being fully geared up to an all out production effort.

There was also a noticeable decrease of more than $3 millions or 21% in volume of contracts in the "business" category, mainly resulting from the easing off in expenditures for Air Training construction and other structures for the armed forces. However, a number of large contracts for such purposes were awarded during the month.

House Building Jumps

Notable feature of last month's building developments was a big jump in residential construction, contracts for which at $11.8 millions were more than double the Aug., 1940, total. The increase came largely from start of projects by Wartime Housing Ltd. involving an estimated outlay of $3.2 millions. There was also a big development undertaken by private interests near Ottawa, calling for 150 houses to cost $750,000.

The cumulative total for all types of contracts for the year to date stands at $283.5 millions, showing a gain of $88 millions or 45%. At the end of July, the increase for seven months was nearly $93 millions or 60%. All types of construction shares in the gain to date, excepting a slight decline (2%) in the business category.

Current Trends Of Construction

Trends of construction activity in Canada last month and so far this year, analyzed according to chief categories of projects started, are shown in the following tabulation by The Financial Post from the monthly building statistics of MacLean Building Reports:

CONSTRUCTION CONTRACTS AWARDED

	1941	1940	— Change —	
	— Millions of $ —			%
First Eight Months				
Residential ...	65.6	43.8	+21.8	+49
Business	60.5	61.8	—1.3	—2
Industrial	66.2	44.6	+21.6	+48
Engineering ..	91.0	45.1	+45.9	+101
Total	283.5	195.5	+88.0	+45
August Totals				
Residential ...	11.8	5.8	+6.0	+103
Business	12.2	15.5	—3.3	—21
Industrial	7.7	14.9	—7.2	—48
Engineering ..	4.4	4.5	—0.1	—2
Total	36.1	40.7	—4.6	—11

Fanny Farmer Candy Names New Director

Carl S. Hallauer has been elected to the board of directors of Fanny Farmer Candy Shops Inc., John D. Hayes, president, announces. Mr. Hallauer is president of the Bausch & Lomb Optical Co. of Canada and vice-president of the parent Bausch & Lomb Optical Co. of Rochester, New York. Active in the United States defense programme, Mr. Hallauer is vice-president and chairman of the Advisory Board of the Army Ordnance District and his firm recently received the Naval "E" award for excellence in ordnance work.

U. S. Paper Mills Activity at Peak

From Our Own Correspondent

MONTREAL.—Paper production of United States mills reached a record in the week ended Aug. 23, according to the American Paper & Pulp Association index of paper mill activity.

The index rose to 102.8% from 101.1% in the preceding week and 84.47% in the week ended Aug. 24, 1940.

More mills operating on Sunday permitted a further rise in activity beyond theoretical capacity. New orders received were slightly down during the week, extending the trend of the past few weeks.

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Bond Markets

Offerings Are Scarce In Quiet Market

Strong Bids Below Market Show Firm Investment Background — General Rise Coming?

Increasing scarcity of offerings has become a marked feature of recent bond markets. Describing the situation as typical, one bond trader informed The Financial Post that in an effort to buy $30,000 of Montreal Light, Heat & Power bonds, he was able to secure offerings of only $4,000.

Buying orders in dealers' offices are reported as the heaviest in some months. Usually a little below the offering price, the bids are not yet sufficiently insistent to cause very rapid rises generally. But the ease with which Canadian Vickers, the new Minnesota & Ontarios, Lakes St. John 5's and others move up two or three points is evidence of the scarcity of offerings.

Present strength appears to be a continuation of the trend in the first part of the year, before confidence was weakened by the Greek and Crete campaigns, and before the Victory Loan drained men and money away from the bond markets. The manner in which it has extended through all classes of the higher grade securities is taken by some to indicate a change in investor sentiment, hence a foundation for a general upturn in security markets.

Bonds More Buoyant

Whether the strength of the bond markets is the first wash of a new tide of investment buying, the bonds have recently shown greater buoyancy than equities.

In relation to the supply of securities, there appears to be a more than ample supply of investment funds. A small amount of institutional buying is reported to be showing again. The Bank of Canada holdings of long-term bonds have held at around $10 millions above the pre-Victory Loan level, a sign that there has been little liquidation of Government bonds. Dominion Treasury Bills have been bringing new high prices at each successive sale since the middle of July.

In New York, despite the uncertainties of the new tax bill, and the problems to be straightened out in the defense programme, the Dow-Jones index of 40 bonds has held a 1½-point trading range since May 10. The Bond Buyer's index of municipal bond yields is at new wartime highs with the yield of 20 long-term issues standing at 2.1%.

* * *

General Move Ahead?

A Toronto bond dealer of experience draws a parallel between the present market and that of 1934-35. At that time stock markets were, as now, straggling along a little better than their lows, a little below the recovery highs up to that time. Trading was dull and public support of the stock market was lacking.

First consistent strength to appear in security trading came from the high grade bond list, and in two years the buying had spread to the stock market. Not until the stock market had reached the danger point late in 1936 did the strength in bonds begin to evaporate.

That there are substantial differences between that period and the present is clear. From the investment point of view, the most important difference is the tax situation, which could slow down or prevent the logical spread of buying from bonds to equities. But the consistently strong action of the higher grade bonds since last June appears to be a fairly reliable indication that investors are willing and able to buy providing they can find suitable securities.

* * *

War and Taxes

Some of the influences which have aided the market improvement are indicated by Dominion Securities Corporation in its September report on the bond market. The booklet states in part:

War continues to spur business, and the current index of business activity stands at more than 11% above one year ago. Taxes are taking an increasing portion of net income and company reports currently appearing are in some cases showing net income after taxes below last year. However, substantial reserves are being set aside within the provisions of the Income War Tax Act and businesses generally should continue to show satisfactory earnings with a strong and improved financial position.

The power industry has again expanded its load. Hydro-Electric Power Commission of Ontario recently reported its July 1941 primary peak power load to be 14.9% above the same month last year and its total primary and secondary loads show a 6.6% increase for the same period. The power loads in the Province of Quebec show a situation closely parallel and despite increased taxes the power companies in most cases will show net earnings above last year.

While profits are being held in check by taxes, most companies are earning a wide margin over fixed charges and high grade corporation securities, both public utility and industrial, are finding increasing favor with investors.

* * *

International 6's of 44

Good corporation fixed securities have for some time past been the object of investor search. There still exists a dearth of prime corporation liens to tuck away in an investment portfolio.

Most interesting recent development was announcement of Gatineau Power Co. that it is cutting its quarterly dividend payment on the common stock from 20 cents to 15 cents. This decision has had a depressing effect upon the 6% debentures of International Hydro-Electric System, although the Gatineau dividend reduction has been anticipated well in advance.

Holding about 87% of Gatineau's common stock, International Hydro receives nearly two thirds of its total cash receipts from the Canadian utility. Loss of 25% of this revenue (if the annual rate of 60 cents is maintained) will work severe handicaps upon International, which already has been affected by the increased Dominion withholding tax.

The System also faces a problem in respect to maturity of the 6% debentures in 1944. It is probable some compromise arrangement, providing for extension of maturity, will have to be negotiated before maturity date.

* * *

Interest in Vickers

The once-neglected first mortgage bonds of Canadian Vickers Ltd. have come in for a good share of attention in recent weeks. Awaiting formulation of reorganization plans the company has, since the outbreak of war, been working on a large volume of war orders for ships and airplanes. The plant will work throughout 1941 at peak and maintenance of operations for the duration is in prospect.

On Aug. 2 last year the company reached an arrangement with bondholders deferring bond interest due to Feb. 1 next year. When that time rolls around the company will be in a much more favorable position to consider resumption of interest payments than it has been in the past score of years.

* * *

Municipal Highlight

Junior in authority and priority in the capital markets of the Dominion, municipal governments have brought financing operations to a virtual standstill since the outbreak of war.

In this particular field Montreal is occupying the limelight. The Dominion's largest municipality is attempting to restore itself to good grace by cleaning up a 15-month default. Results from negotiations between the city, Quebec province, which is running the city's affairs, and bondholders' representatives are expected some time in the fall.

Pending an indication of what is happening behind committee doors, Montreal debenture holders have been generally holding their securities for announcement of a plan. Prices have been firm, with the best demand for many years.

Alberta Defaults Bond Maturity

$2.3 Millions of 6% Debentures Matured Sept. 1

The Province of Alberta has defaulted on $2.3 millions principal amount of debentures which matured Sept. 1. The bonds were issued in 1921 and carried an interest coupon of 6%. The issue was payable in Canadian funds.

Interest has been paid on the issue for the past five years at the 50% of contractual rate imposed by the province. The reduced rate will be paid on the issue past maturity until some plan for debt rearrangement has been settled.

Negotiations Start Sept. 16

The Sept. 1 default brings total principal default to $15 millions. Two issues remain in the current year to be met, total of which is $3.6 millions.

Bondholders representatives and the treasury board of the government will open negotiations Sept. 16 toward evolving a plan for refunding the province's debt. It is not expected, however, a plan will be agreed upon in time to take care of the two issues maturing this year.

Bond Sales

Treasury Bills

At an average price of 99.86275, last week's offering of Dominion of Canada Treasury Bills brought a new high since the outbreak of war. Average yield of 0.551% compares with 0.564% in the previous offering when the price was 99.859. The latest issue is dated Aug. 29, to mature Nov. 28, 1941.

* * *

Digby, N.S.

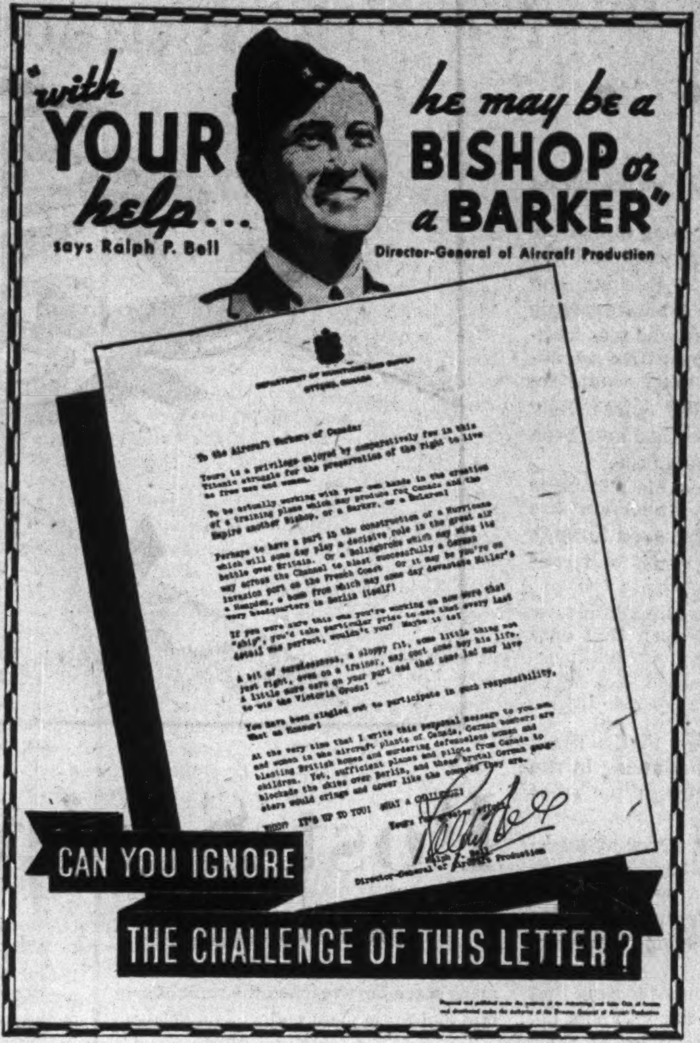
Cornell, Macgillivray Ltd., Halifax, announce the purchase by their firm of $23,000 in 4% serial bonds of the District of Digby, N.S., dated July 2, 1941, at an average price of 100.61. The issue matures $1,000 annually 1942 to 1955, thereafter $1,500 per annum to July 2, 1961. List of tenders for the bonds follows:

Cornell, Macgillivray Ltd.	100.61
Stanbury & Co.	100.51
Scotia Bond Co.	100.37
G. E. Leslie & Co.	99.88
F. J. Brennan & Co.	99.65
Dominion Securities Corp.	99.57

* * *

Valleyfield, Que.

An issue of the City of Salaberry de Valleyfield, Que., for sewer and street construction in the amount of $43,000 in 4% installment bonds has been bought by Mills, Spence & Co., Toronto. Price announced was 100.93, the issue to mature Nov. 1, annually to 1960.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Director-General of Aircraft Production
CAN YOU IGNORE
THE CHALLENGE OF THIS LETTER?

"A challenge" to Canadian aircraft workers was the theme of a special guest editorial which was published in "Canadian Aviation" and written by Ralph P. Bell, Director-General of Aircraft Production for Canada. The editorial has been reprinted as a pamphlet which received such widespread commendation that it was decided to reproduce the "Challenge" in poster form for distribution to the aircraft plants.

Fairchild Aircraft Ltd., of Longueuil, Que., recently donated this poster. It has been produced under the direction of the Advertising and Sales Club of Toronto.

So successful has the campaign of posters in aircraft factories been that it has been arranged to continue it for a further six or eight months without cost to the government.

September Dividends Lower, But Total Up

Preliminary estimates by The Financial Post of dividends to be paid by Canadian companies in September indicate a decline of about $500,000 from the corresponding month of 1940.

With a number of companies expected to declare regular payments for later in the month, however, it is quite possible that this month will recover most of its present indicated losses.

For the first nine months of 1941 dividend payments have reached the total of $212.8 millions. This compares with $208.8 millions for the corresponding portion of 1940.

Monthly Dividends

	1941 $	1940 $
January	23,026,402	22,938,309
February	10,655,895	6,779,319
March	27,821,583	28,740,412
April	23,823,789	23,487,780
May	7,230,853	7,927,144
June	58,275,666	58,518,502
July	26,855,735	27,675,919
August	9,938,960	6,920,483
September	25,192,235	25,783,812
Total	212,821,118	208,771,630

Most of the gain continues to be made by mining companies. For September, Canadian metal mines have a total of $13.9 millions to distribute to investors compared with $13.5 millions for the same month last year.

Few Extras

There are but few changes this month. Four companies are paying extras. They are: Agnew-Surpass with 20 cents a share; Asbestos Corp. with 15 cents; Canadian Celanese with 25 cents; Central Patricia with two cents; and Perron Gold with one cent.

One company, Gatineau Power, has reduced its payments with declaration of 15 cents a share against previous amounts of 20 cents. Command Oils is paying an initial dividend of two cents.

Summary of September Payments

	1941 $	1940 $
Dividends	25,192,235	25,783,812
Bond interest	12,102,000	13,884,000
Total	37,294,235	39,667,812

Dividend Payments
Industrials and Utilities

Company	Rate $	Date	Amount $
Agnew Surpass, c.	.40s	2	31,850
Do., extra	.20	2	15,925
Aluminium	2q	5	1,488,820
Do., pref.	†1.50	1	118,494
Anglo-Can. Tel., A	.15q	2	73,065
Asbestos Corp.	.15q	30	90,000
Do., extra	.15	30	90,000
Assoc. Brew., com.	.25q	30	59,500
Bathurst P. & Pr., A	.25q	1	100,000
Bright, T. G.	.07½q	15	7,500
Do., pref.	1.50q	15	11,113
Canada Cement, p.	1.25q	20	251,086
Can. Crushed Stone	.10	30	6,374
Canada Dry	†.15q	24	92,273
Can. & Dom. Sugar	▪.37½q	15	362,500
Canada Forgings, A	.37½q	15	14,227
Canada Malting	.50q	15	99,486
Canada Starch, c.	.50	15	29,662
Canada Vinegars	.10q	1	9,200
Can. Celanese	.25q	30	65,102
Do., extra	.25	30	65,102
Do., pref.	1.75	30	175,000
Can. Wire & Cable, A	1q	15	29,668
Do., B	.50	15	75,332
Do., pref.	1.62½q	15	46,419
Corr. Paper Box, pf.	1.75	2	11,203
David & Frere, A	.25q	30	5,750
Dist.-Seagram, c.	.55½q	15	972,717
Dom. Foundries, pf.	1.50q	2	18,000
Electrolux	†.20	15	247,500
English Electric, A	.62½q	15	26,622
Famous Players	25q	27	107,631
Ford Motor, A, B	.25q	27	414,740
Gatineau Power, c.	.15q	30	249,370
Ham. Un. Theat., pf.	1.25q	30	8,572
Hudson's Bay, ord.	1+1½%•	12	276,000
Imperial Tobacco	.10q	30	945,103
Do., pref.	3%s	30	240,900
Int. Coal & Coke	.01½s	10	45,000
Kelvinator	.25q	10	25,000
Lake of Woods Mill., p.	1.75q	2	26,250
Langley's, pref.	▪.50	12	2,828
Laura Secord	.20q	1	57,500
Loblaw Groc., A, B	.25q	2	207,089
Loblaw Groc. Inc.	†.20q	1	67,898
Louisiana Land	†.10q	15	296,495
MacKinnon Steel, p.	1.25	15	5,937
Montreal Cottons	1q	15	30,000
Do., pref.	1.75q	15	52,500
New Method Ldry.	1.62½q	15	4,062
North Am. Elev., pfd.	1.75q	1	5,524
N. S. Light & Pr., p.	1.50q	2	36,450
Northwest. Util., pfd.	1.50q	1	15,189
Ogilvie Flour, pfd.	1.75q	2	35,000
Paton Mfg.	.50q	15	5,000
Do., pref.	1.75q	15	10,500
Photo Engravers	.50s	2	15,000
Pressed Metals	†.25q	2	67,142
Regent Knit., pref.	.40q	1	6,400
Reliance Grain, pfd.	1.62½q	15	32,500
Rolland Paper, pfd.	1.50q	2	22,500
Sangamo	.25q	30	11,325
Simon & Sons	.15q	27	4,507
Do., pref.	1.75q	27	4,635
Toronto Elevators, p.	.65½q	6	19,133
Union Gas	.20q	15	141,239
Walker-Good.	1q	15	724,004
Do., pref.	.25q	15	140,204
Total			9,248,617
Mining Companies			
Aunor Gold	.04	3	80,000
Beattie Gold	.04q	23	200,000
Can. Malartic	.02q	26	73,027
Cent. Patricia	.04q	30	100,000
Do., extra	.02	30	50,000
Coniaurum Mines	.04q	25	110,669
Falconbridge N.	.05	29	166,875
Granby Cons.	†.15	2	67,539
Hallnor Mines	.15q	3	300,000
Hollinger Cons.	.05	9	246,000
Inter. Nickel, c.	†.50q	30	7,292,012
Lake Shore Mines	.35q	15	700,000
Macassa Mines	.08q	15	214,245
McIntyre Porc.	.55½q	2	442,890
McKenzie R. Lake	.03q	15	88,050
Noranda Mines	1q	15	2,239,772
Pato Cons. Gold	.10	29	320,000
Perron Gold	▪.04q	22	80,000
Do., extra	▪.01	22	20,000
Pickle Crow	.10q	30	300,000
Siscoe Gold	.02q	15	92,801
Sylvanite Gold	.07q	30	230,965
South Amer. Gold	†.10	22	176,000
Waite Amulet	.10	10	330,000
Total			13,920,845
Oil Companies			
Calgary & Edmonton	.05	30	120,755
Command Oils	.02	29	27,612
Stuart, D. A., Oil, p.	.20q	1	8,376
Sunset Oils	.01½	15	25,200
Total			181,943
Financial			
Bk. Can. Nationale	2q	2	140,000
Bank of Montreal	2q	2	720,000
Bank of Toronto	2.50q	2	150,000
Can. Int. Inv. Tr., pf.	.50q	2	7,575
Confederation Life	1.50q	30	15,000
Dom. & Ang. Inv., pf.	1.25q	1	16,187
Dom. Scott. Inv., pf.	▪.50q	1	24,568
Montreal Loan	.31¼q	15	7,500
Provincial Bank	1.50q	2	60,000
Royal Bank	2q	2	700,000
Total			1,840,830
Grand Total			25,192,235

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Montreal Exchanges Turnover Improves

From Our Own Correspondent

MONTREAL. — Trading on the Montreal Stock Exchange and Montreal Curb Market saw improvement during August.

Trading in industrial stocks during the month amounted to 214,520 shares, compared with 197,070 shares in July and 159,815 shares in August last year.

Mining turnover during August amounted to 300,820 shares, compared with 179,254 shares in the preceding months and 136,492 shares in August, 1940.

Combined industrial and mining volume totalled 515,440 shares, against 376,324 shares in July and 296,307 shares in August, 1940.

Alberta Conference Approves Debt Talks

Endorsation of the Alberta Government's negotiations with bondholders' representatives for a refunding scheme has been announced by independent members of Alberta Legislature.

The independent members at a conference also approved a resolution urging the government to "effect a fair and equitable arrangement with the Dominion government" to avoid duplication of income tax payments by Alberta citizens.

The latter, in effect, suggests the Aberhart government accept Ottawa's proposal for a shift in personal and corporation income taxes during war.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Montreal Refrig.	▪6%	1947	Dec. 1	par
Wood, A. & J.	*6%	1944	Oct. 1	103

▪All outstanding balance. Company will purchase bonds prior to the redemption date at 102, including accrued interest.
*Drawn by lot: $28,500.

Can. Breweries Earnings Gain

Funded Debt Reduced $175,000 in Past Year to Under $2 Millions

Canadian Breweries Ltd. reports an accelerated gain in profits from operations for the three months ended July 31, 1941, third quarter of the company's year, over the corresponding period a year ago. In spite of heavier taxes, depreciation and interest, net profits, after all charges and estimated income taxes, for the quarter are equivalent to $1.54 a share on the preferred compared with $1.14 a share for the 1940 period.

For the nine months ended July 31 this year, a similar situation is reported. Net profits are moderately above last year's level at $2.35 a share on the preferred against $2.14 a year ago.

Balance sheet as at July 31 reflects an approximate doubling of the investment account in current assets at $1.3 million due to substantial purchases of Victory bonds. This is largely offset by bank loans of $1.1 million, about double a year ago. With higher provision for payable and income taxes, net working capital is lower at $1.8 million compared with $2 millions at July 31, 1940. Funded debt has been reduced by $175,000 to $1,950,000. Trustee for debenture holders holds $560,658 in cash. Capital and distributable surplus is up $250,000 to $3.4 millions. Capital expenditures amounted to $442,840.

Profit and Loss Account
Three Months Ended July 31

	1941 $	1940 $
Profits from oper.	644,084	456,974
Add: Other income	15,525	19,456
Gross earnings	659,609	476,430
Less: Interest	35,558	36,197
Depreciation	123,671	117,972
Income taxes*	235,300	121,850
Applic. minority int.	13,079	13,722
Net profit	252,001	186,689
Earned per Share:		
Preferred	$1.54	$1.14
Paid	0.75	0.75

Nine Months Ended July 31

	1941 $	1940 $
Operating profit	1,177,031	1,005,939
Add: Other income	35,384	40,640
Gross earnings	1,212,416	1,046,378
Less: Interest	96,659	93,715
Depreciation	366,041	353,813
Income taxes*	352,500	226,500
Applic. to min. int.	15,775	25,031
Net profit	381,440	347,519

*Calculated at prevailing income tax rates, subject to determination of standard profits.

Earned per Share:		
Preferred	$2.35	$2.14
Paid	2.25	1.75

Working Capital

	July 31 1941 $	July 31 1940 $
Current assets	4,424,812	3,523,378
Current liabilities	2,632,899	1,478,431
Working capital	1,791,913	2,044,947

N. S. Municipalities Hold Annual School

In co-operation with the Union of Nova Scotia Municipalities, the Institute of Public Affairs of Dalhousie University is holding its annual school on municipal administration Sept. 4 and 5. The course will follow the annual convention of the union in Yarmouth, N.S.

The course is held annually for municipal officers and officials. Two speakers, G. S. Mooney, executive director of the Canadian Federation of Mayors and Municipalities, Montreal, and A. M. Butler, C.A., Commissioner of Finance and Accounts, Halifax, will speak on the opening day.

On the second day Dr. J. A. Webster, Yarmouth, N.S., and W. E. Moseley, town solicitor of Dartmouth, will give papers on the care of indigents.

Remainder of the convention will be open to discussion.

FOR INVESTMENT

We recommend the following investments from our September Investment Booklet.

DOMINION OF CANADA BONDS	Rate	Maturity	Payable	Price	Yield
	2%	15 December, 1946	C	99.00	2.20%
	3%	15 June, 1950/51	C	100.00	3.09%
	3%	Perpetual (Callable 1966)	C	93.75	3.20%
DOMINION OF CANADA GUARANTEED CANADIAN NATIONAL RAILWAY BONDS	3%	15 December, 1945/50	C	100.00	3.00%
	3%	15 January, 1954/59	C	98.25	3.13%
BRITISH COLUMBIA	4%	1 November, 1950	C	100.50	3.94%
NEW BRUNSWICK	3¼%	16 December, 1945	C	97.50	3.89%
ONTARIO	3%	15 December, 1945/49	C	100.00	3.00%
	3¼%	1 May, 1952/55	C	100.75	3.18%
	3%	1 June, 1952/54	C	98.75	3.12%
ONTARIO GUARANTEED HYDRO-ELECTRIC POWER COMMISSION	3¼%	1 February, 1950/53	C	100.00	3.25%
QUEBEC	2½%	1 November, 1943	C	100.00	2.50%
	3¾%	15 February, 1952/55	C	99.00	3.85%

		Yield to Maturity
CANADIAN PACIFIC RAILWAY COMPANY 4½% Collateral Trust Bonds—Due 1 July, 1960	100.75	4.44%
GENERAL STEEL WARES LIMITED 4½% First Mortgage Bonds—Due 15 April, 1952	101.50	4.34%
GREAT LAKES POWER COMPANY LIMITED 5% General (Closed) Mortgage Sinking Fund Bonds—Due 1 June, 1957	99.50	5.05%
QUEBEC POWER COMPANY 4% First Mortgage and Collateral Trust S.F. Bonds—Due 1 September, 1962	102.25	3.84%
SHAWINIGAN WATER AND POWER COMPANY 4% First Mortgage and Collateral Trust S.F. Bonds Series "G". Due 1 June, 1969	101.75	3.89%
ST. MAURICE POWER CORPORATION 4½% First Mortgage S.F. Bonds—Due 1 April, 1970	103.00	4.32%

We will be pleased to send a copy of our September Investment Booklet on request.

DOMINION SECURITIES CORPORATION
LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

U. S. Security Sales Dominate

As has been the case each month since the Foreign Exchange Control Board started operations, June showed a net balance of sales of securities by Canada to other countries. One of the major functions of the F.E.C.B. is to make certain that there are no capital exports from Canada during the war and the net balance of sales of securities each month has meant a small net import of capital which since September, 1939, has aggregated $54.3 millions.

Net sales of $2.1 millions in June compare with $2.5 millions in May and $2.1 millions in April.

Big Transactions Omitted

Although sales of United States securities account for most of the balance of June sales, the Dominion Bureau of Statistics points out that there were substantial sales of outstanding Canadian government issues to United States insurance companies which are not included in the published figures. U. S. insurance companies are prevented by legislation from buying new issues of a belligerent such as Canada but may instead buy a corresponding amount of issues outstanding prior to outbreak of war.

As has been customary, most of the trade in securities with other countries was with the United States and most of the balance of sales is represented by United States stocks. This again is in accordance with F. E. C. B. policy of encouraging voluntary liquidation of U. S. holdings to raise U. S. dollars.

In the first half of 1941, total sales of $41.8 millions exceeded total purchases of $29.7 millions by $12.1 millions. Of this balance net sales of Canadian securities were $3.8 millions and net sales of U. S. securities $8.9 millions. In the first half of 1940 total net sales were $21 millions. Sales of Canadian securities accounted for over $8 millions of this balance, while net sales of U. S. securities were about $12 millions.

How this trade was divided between various classifications of securities and the dominant place held by the United States are shown by the table which follows:

Sales and Purchases of Securities
Six Months Ended June, 1941

	Total Sales $000	Total Purchases $000	United States Sales to $000	United States Purchases from $000
Canadian securities:				
Bonds	17,295.5	14,357.3	14,959.7	12,524.3
Stocks	5,917.9	5,089.2	5,660.1	4,368.7
Other	198.7	155.0	198.5	154.0
Total	23,412.1	19,601.4	20,818.3	17,046.9
U. S. securities:				
Bonds	3,867.4	2,382.1	3,864.8	2,373.0
Stocks	11,289.0	3,885.1	11,289.0	3,804.1
Other	5.5	....	5.5	...
Total	15,161.9	6,267.3	15,159.4	6,177.2
U. K. securities:				
Bonds	417.6	461.7	409.5	461.7
Stocks	3.0	122.2	3.0	122.2
Total	420.6	583.9	412.5	583.9
Other countries securities:				
Bonds	604.7	469.1	604.5	469.1
Stocks	99.9	6.8	99.9	6.8
Other	0.9	....	0.9	....
Total	705.5	475.9	705.3	475.9
Short terms	....	29.7	....	29.7
Unspecified bonds	2,056.8	2,733.9	2,056.8	2,733.9
Grand total	41,757.0	29,692.2	39,152.3	27,047.6

What Will the Newest Census Figures Show?

Early findings of the 1940 United States Census are being revealed. Facts from the 1941 Canadian Census are likely to start appearing before long.

The Financial Post herewith gives highlights of the U. S. Census. In a parallel column are shown figures which the new Canadian Census would show—**assuming that the rate of change in Canada is the same between censuses as it has been in the United States.**

The New U. S. Figures

Total population of the United States, including all territories and possessions, was 150,621,231 in 1940, an increase of 8.8% over 1930.

* * *

Population density of the United States was 44.2 persons per square mile in 1940, compared with 41.1 in 1930. Most densely populated states in 1940 were Rhode Island and New Jersey, with 674 and 553 persons per square mile, respectively. Most sparsely populated state was Nevada with only one inhabitant for each square mile of area.

* * *

There were 34,861,265 families in the United States in 1940, an increase of 16.6% over 1930. Average family size in 1940 was 3.8 persons, as compared with 4.1 in 1930. The average urban family decreased over the decade from 4.0 to 3.6 persons, the average rural family from 4.3 to 4.0.

* * *

There were 184,244 manufacturing establishments in the United States in 1939, a decrease of 10.9% since 1929. Total value of products of all factories was $56,829 millions in 1939, a decrease of 16.6% since 1929.

* * *

There were 200,573 wholesale establishments in the United States in 1939, an increase of 18.8% over 1929. Total wholesale sales, however, decreased 17.5% over the ten-year period to $55,265,640,000.

* * *

There were 1,770,355 retail stores in the United States in 1939, an increase of 19.9% over 1929. Total retail sales, however, decreased 13.0% over the decade, to $42,039,138,000.

Assuming the Same Change Here

Total population of Canada would stand at 11,289,943, up from 10,376,786 reported in 1931.

* * *

Population density would be 3.21 persons per square mile, compared with 2.99, 10 years ago.

* * *

There would be 2,820,974 families in the Dominion; a decade ago the number was 2,419,360. Average family size in 1941 would be 3.58 people as against 3.86 in 1931. The average urban family, according to this supposition, decreased from 4.71 persons to 4.24 over the ten-year period. The average rural family declined from 5.21 to 4.85.

* * *

There would be 20,567 manufacturing establishments in Canada in 1941 in contrast to 23,083 at the last census. Total value of products of all factories would be $2,130,975,458 in comparison with $2,555,126,448.

* * *

There would be 15,610 wholesale establishments in the Dominion in 1941, an increase of 2,470. Total wholesale sales, however, would show a decline of $571,936,172 over the value reported in 1930.

* * *

An increase in number of 24,876 would be shown for retail stores, bringing the 1941 figure to 149,879. A decade ago there were 125,003 retail stores in Canada. Total retail sales, however, would amount to $2,397,345,813, down from $2,755,569,900.

New Books . .

Nazi Looters at Work

FRANCE ON BERLIN TIME. By Thomas Kernan. Published by Longmans, Green and Co., Toronto. Price $3.50.

Coldly and with a wealth of evidence, Mr. Kernan gives a precise account of how the Germans are looting France. He knows whereof he speaks. As head of the Conde Nast enterprises in Paris, he had experience with the Nazi occupiers. He saw them at work and got a first-hand taste of their methods—often clothed in quasi-legal forms—for robbing France of her gold, her art treasures, the output and ownership of her factories, and the labor of her people.

Germany lost the last war and was condemned to pay huge reparations. She did not pay, and in the result France herself bore the cost of the reconstruction of her devastated areas. The Germans learned the lesson and determined that if and when they won this war, there would be no uncollectible reparations bills to be handed to her victims. Rather she would collect during the war in tangible goods and properties. She worked out devices of terrifying efficiency to get what she wanted. What these devices are and how they are working with cruel, remorseless effect to turn France into a slave plantation to feed the Nazi war machine are revealed in intimate detail by a man who made it his business to get the facts.

The record makes it clear that the damage can never be fully undone and the loot entirely restored. The Germans have not merely stolen; they have transferred huge properties to their own ownership and recorded deeds and documents that conform to the last letter of the French law. Frenchmen have been forced to sell properties for a pittance but they have sold them and have given quit claim deeds. The situation is analogous in many respects to that produced by the northern carpetbaggers in the deep south after the Civil War. "Gone With the Wind" is still fresh enough in our minds to make it clear that the period of reconstruction will be long and painful; that this generation of Frenchmen will never again have the full enjoyment of what each one individually possessed before the war.

England's Fourteen

THE MEN AROUND CHURCHILL. By Rene Kraus. Published by Longmans, Green and Co., Toronto. Price $4.

Rene Kraus, Austrian journalist, biographer and diplomat, writes with dash and flavor. He has followed up his eminently successful life of Winston Churchill with a most timely and brillant group of portraits of fourteen other men associated with Churchill in Britain's magificent war effort. They are pungent, critical, amusing and provocative. Merely to have gathered the information to write such a series of sketches must have been a job of frightening proportions. "The Men Around Churchill" is a great help to the cis-Atlantic reader, trying to sort out the dominant personalities on the British scene after so many convulsive upsets.

The selection of names in itself reveals two vital facts about what has happened in Britain: first the merger of the "old school tie" with the peaked cap of the working man, to give Britain the most democratic and balanced war leadership in the world; second, the complete annihilation of Baldwin and Chamberlain traditions and influences in the government.

The "school tie" is represented in these sketches by Halifax, Eden, Sinclair and Wood. Labor is represented by Bevin, Morrison, Attlee, Alexander and Greenwood. There are two soldiers— well chosen—Dill and Wavell. Kraus adds two "eccentrics," Beaverbrook and Cripps. Finally he ties them all together with a symbol, King George the Sixth.

On the whole, the brief biographies are friendly. Occasionally Kraus uses too much color in his effort to give each subject his appropriate hue. Halifax is too much the "hail fellow, well met" to be true. Beaverbrook is much too eccentric. There are, too, inaccuracies, minor ones that arouse doubts about other statements of fact concerning which one has less information. Beaverbrook is stated to have been born in Vaughan, a village in northern Ontario; there is some confusion regarding his early financial life in Canada; Kraus attempts to make an American out of him.

Best portrait of all is that of the King, which evidences Kraus's brilliance. It is a tour de force to bring a king to life and paint him as George VI really is—a very human being.

The Editorial Page . .

Wanted: Labor Action

The menace of labor strikes and slowdown hangs dangerously low over Canada's war effort.

This need not be. It should not be.

Admittedly the war emergency has brought labor unrest. With tens of thousands of new, raw workers donning overalls; with wage rates and dollar values changing rapidly it would be unreasonable to expect peace and tranquility.

To meet this situation Canada has created, within the past 18 months, conciliation machinery which is second to none in dealing with wartime labor problems. On paper there is no reason why our record should not be almost perfect.

One thing, unquestionably, is lacking.

Canada lacks a Minister of Labor with a proved record for getting results. Where there should be strength there is weakness. Where a clear, firm stand should be taken there is vacillation, procrastination.

Such incompetence cannot be allowed to continue. There is too much at stake. In place of a man who is merely charming and affable, Prime Minister King must appoint without delay someone who will follow words with action—someone who can bring courage and proved capacity to this most important of all wartime portfolios.

Dawdling Dangerous in Recruiting

Reports from many parts of the country indicate that recruiting is dragging, that the brief enthusiasm generated by the early summer drive seems to have evaporated.

The authorities face an admittedly difficult task in attracting men to the three services, especially the army, during the peculiar sort of war that has faced us to the present. Without a doubt the long casualty lists of the first great war proved a major factor behind the voluntary rush to join the colors. Most fortunately, so far those long lists have not appeared and the army at least has had probably fewer losses than would have been experienced by the same men had they remained in civilian life.

Everyone fervently hopes we can escape the emotional appeal of long casualty lists in this new war. Apart from the humane factor altogether, Canada can ill afford another blood bath like that of 1914-1918, when over 50,000 of our best young men were sacrificed. But if we are to raise men then we must replace that appeal of the last war with something that will produce results.

The main point we must bear in mind is that if we really need the men the army is calling for now, then we must get them quickly and train them. Some day we may wake up and find that land fighting has again broken out in western Europe and that the Canadian army now stationed in Great Britain has gone into heavy action.

Immediately there will rise a need for reinforcements but these must be fully trained. It would be simple suicide otherwise. Recruits being cajoled into the army this fall cannot be trained in less than six months and may indeed need twice as long. We must make up our minds quickly what we expect to need in the way of armed troops in the next year and raise them at once. It will be too late, tragically too late, if we wait until the actual attack starts.

The appointment of a new director of recruiting in the person of Col. James Mess, is a sound step. He will have a big task to bring the total of volunteers up to required proportions.

Farmers Must Have Warning

Canadian farmers and Canadian packing companies will be glad to ship to Britain all the bacon they can possibly produce. Undoubtedly they are hopeful of filling the new 40% increased quota of 600 million lb. in the next year, but they cannot be certain.

Everything will depend upon the hog foundation stock and hog feed now in this country. There is not time in one year to increase greatly the output beyond that already planned. Fortunately sharply increased exports of the last few months gave some advance warning of the new extra demand. Foundation stock which might have been sent to the packers early this fall has been retained on the farms.

This new and sudden jump in our British bacon quota again illustrates the need for more long range planning in our agricultural war effort. Until very recently Canadian farmers were almost completely uninformed as to what products would or would not be wanted.

The official wheat policy for this year was not fully arranged and proclaimed before the first farmers were already on the land. Just a year ago the British authorities intimated that they were overwhelmed with bacon. The price of live hogs in Canada was reduced sharply and farmers were allowed to get discouraged and liquidate breeding stock. Yet within a few months came an incessant plea for more and more pork products for Britain. There was much confusion over both butter and cheese last winter.

Officials responsible for our war effort must bear in mind that agricultural production cannot be turned on and off like water in a tap. At least many months and usually several years are required before any line can be sharply increased. And the same cannot be stopped quickly without considerable hardship to the producers involved.

There is going to continue a great deal of farm discontent and inefficiency in our agricultural war effort unless we have better staff work from those responsible for the planning.

The Financial Post's Platform For War

1. *Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.*
2. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
3. *Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.*
4. *Pay-as-we-go policy to the very limit consistent with an all-out war effort.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *A national programme to deal with post-war employment and relief problems.*

Winning the war has become the focus for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

So Advertising is a Waste, Is It?

Who pays for advertising? How much does advertising add to the cost of goods?

The U.S. Federal Trade Commission has been making some studies of distribution costs. From figures it has published one can calculate the advertising expense of different kinds of industry.

The highest figure is in the tobacco and carbonated beverage industries, 9.8%. (This incidentally is only a small fraction of the cost added by taxation.) The actual advertising cost as a percentage of the retail price would be much smaller than the 9.8% figure quoted on the manufacturers price. (In fact it is said that if Coca-Cola were not advertised there would be six more drops in every bottle).

Tobacco and soft drinks add a great deal of enjoyment to life but they cannot be regarded as vital necessities. On the things that constitute the bulk of what people spend, the advertising cost is a smaller percentage; 3% on bread, 1.8% on boots and shoes, less than 1% on milk and a trifling fraction of 1% on basic articles like copper, steel castings, etc.

Does the consumer pay for this advertising? Of course he does. But wait a minute.

Study of the figure reveals that, generally speaking, in the industries with the highest advertising cost the other selling costs are the lowest. For instance, tobacco has a large advertising budget but the other sales expense is less than 5%. So what the consumer "loses" on the swings he makes up on the roundabouts.

And then let's consider this. Supposing things like refrigerators, automobiles, office devices and, for that matter, any other commodity entering into commerce, were not advertised. Supposing people were left to find out for themselves who was making them and what were the comparative advantages of different products. How much would refrigerators cost then? Maybe $2,000 apiece. How much would automobiles cost if none had ever been advertised? Probably around $5,000 apiece.

Advertising created mass markets. Mass markets created mass production. Mass production has created high standards of living, achieved through widespread employment at good wages and constantly decreasing unit costs.

Who pays for advertising? That is like asking how much does fresh air and sunshine cost. It is only expensive if you don't have it.

Arch-Looters

Goering recently purchased two of the finest collections of paintings in the Netherlands. In one case he paid the bill in Dutch florins; in the other case in Swiss francs.

It was easy to dig up the florins; Germany merely prints them. Swiss francs are another matter. Any ordinary citizen in Germany who tried to export one Swiss franc would be decapitated. The gangster leaders are, of course, exempt from any measures for defense.

The transactions indicate the double looting that Hitler and his fellow conspirators are carrying on. They are looting the occupied countries of their food, art treasures, metals and other materials. But they are also looting the German people. All the Nazi chiefs have palatial homes, far-flung estates, private armies, foreign bank accounts. They have acquired these within a few years. They have stolen the money from labor union funds, party donations, confiscated Jewish property, public revenues. The Nazis make no public accounting in any of these fields. They take what they want.

Editorials in Brief

"When the story of the underground activities of this war comes to be written," writes Columnist J. V. McAree, "we shall be astonished if the Communists do not occupy a conspicuous and honorable part in it."

There will be many Canadians who will agree that that sentence of Mr. McAree's would have been improved immeasurably by the deletion of just two words—"and honorable."

* * *

American gun calibres and those of Canadian weapons are not the same, explains our Ottawa correspondent, and thus two separate sources of ammunition must be maintained.

So long as such a situation continues any scheme of hemisphere defense must remain imperfect. Lines of communications will be needlessly long, there will be duplication of equipment and there is almost certain to be confusion in supply.

U. K.-U. S. co-operation in airplane standardization is an example which might well be much further developed.

* * *

The origin of the Swastika is lost in the fogs of antiquity. Wherever the Aryan races lived, and in lands they never lived, the swastika was a symbol of the sun and had some relationship to worship of divinity and to what was good as distinct from what was evil. In most of these primitive religions, the swastika in reverse stood for evil and for the worship of the devil, in whatever form he was conceived by the particular tribe or race using the symbol.

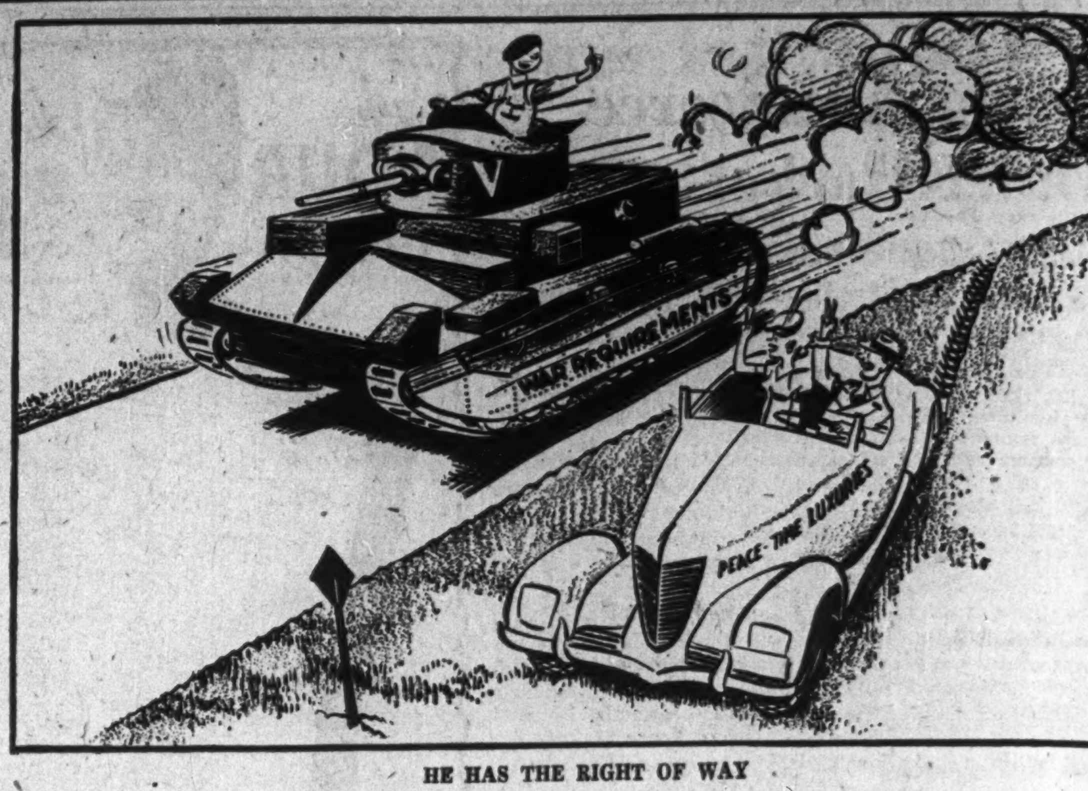
The person who selected the reverse swastika as the Nazi emblem may have been playing a grim hoax on the Hitlerite worshippers of evil. The choice was, in any event, significant and appropriate.

* * *

The need for a "single, responsible head for defense" in the United States becomes more and more apparent. The President is still the only "boss" and as he cannot do everything, there is confusion and much working at cross-purposes.

The Wall Street Journal is reminded of the volunteer fire companies in a bygone era:

> "In their competition to be the first to get water on the blaze they sometimes cut each other's hose. This was considered great sport . . . As for the house, it just burned down."



HE HAS THE RIGHT OF WAY

Post-Scripts . . . .

Youth Rules the Air

Before the first Great War was over many mere boys reached the rank of captain and there were majors, colonels and even a general or two under thirty. But the reason for this lightning advancement was supposed to have been due, to a large extent, to the dearth of pre-war experienced officers to command the huge civilian armies raised between 1914 and 1918. This time, with large reserves from the first war and a new batch of graduates from the preparatory period which followed Munich, many believed that promotion would be much slower. But in the air arm at least it is again a young man's war.

HAROLD KERBY

Take the record of Harold Kerby, son of Roy Kerby of General Motors. Young Kerby is but 24 and with his promotion to Wing Commander in charge of the 400th Squadron the other day he is the youngest Canadian to hold that rank overseas. While his rise has been rapid, it has been a matter of work and experience, not luck.

At 17 Harold Kerby received his pilot's license and shortly after joined the 110th City of Toronto Squadron. During the official visit to Canada of Air Chief Marshal Sir Robert Brooke-Popham, Kerby acted as his private assistant and in that capacity travelled with Sir Robert by air from coast to coast. When Sir Robert left Canada, Kerby was transferred to the 112th Squadron (city of Winnipeg) and, interrupting a brilliant academic career, went overseas with this squadron in May, 1940, celebrating his 23rd birthday in mid Atlantic.

During the visit of Air Marshal W. A. Bishop, V.C., to England in the fall of 1940 Kerby was again drafted for special duties and acted as private assistant to the Air Marshal during his stay in England.

Last December young Kerby was promoted to the rank of Squadron Leader. In February he was given second in command of the 110th Canadian Squadron, in August command of the 400th (formerly 110th) Squadron and promoted to Wing Commander.

And what sort of a life are these young men of the air leading in England? Here is the description of one exciting hour in Harold Kerby's which the censor passed in a letter home:

"I took off about 9:30 last night and when I was about to land, I circled the field, went to put down my undercarriage, got it half way down and there it stuck. I flew around for about another half hour working on it, but to no avail, so finally debated between going up and bailing out or making a crash landing, deciding in favor of the landing.

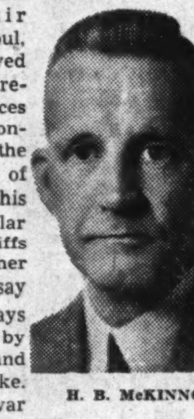
"I flew over the field low and warned them to prepare the ambulance, crash truck and anything else they could think of, and when I saw everything was all set, came in for a landing. Actually nothing serious happened at all. I just carried out a landing as if I had wheels and when the airplane settled down it just slid along on its belly and stopped, doing hardly any damage."

* * *

Control Kingpins

On two men's shoulders there now rests the lion's share of responsibility for war on the economic front.

The two are Hector B. McKinnon and R. C. Berkinshaw.



H. B. McKINNON

Mr. McKinnon is no newcomer to Ottawa. His record and his reputation since he forsook journalism to take a job as secretary to the Tariff Board in 1925 are well known. Since then, in fair weather and foul, he has moved quietly but surely toward places of higher responsibility in the public service of Canada. In his own particular field of tariffs there is no higher tribute than to say that he has always been trusted by protectionist and free trader alike.

Just as the war broke out, Mr. McKinnon was in line for promotion from his duties as Tariff Commissioner to the senior tariff position in Canada—chairman of the Tariff Advisory Board. But war changed all that.

Nominally, he is still Tariff Commissioner, but night and day, week in and week out, his mind probes the deep and thorny pitfalls of wartime price control.

Since the very outbreak of war McKinnon has been chairman of the Wartime Price Control Board. And when top-ranking officials from Leon Henderson O.P.A.C.S. (Office of Price Administration and Civilian Supply) came to Canada to see at first hand what had been done in under two years of war they were as amazed as they were enthusiastic about the quiet efficiency and effectiveness of price and trade control in Canada.

Mr. McKinnon's board has been enlarged to include the other man who has emerged equally quietly but effectively to the top of his particular wartime job.

The other man is Mr. Berkinshaw. Loaned "for the duration" from his peacetime job as general manager of Goodyear Rubber of Canada. Mr. Berkinshaw is one of Canada's newer dollar - a - year wartime executives. But there is no question that he is one of the best.

R. C. BERKINSHAW

For the past six months he has been Director-General of the Priorities Branch, Department of Munitions and Supply. To this job he brought two important qualifications: a judicial mind and a genius for organization. The two dovetail. By carefully picking his associates and assistants and delegating responsibility to them he, in turn, quickly freed himself to carry out his main function, namely the correlation and disposition of war materials and supplies not only as between civilian and wartime needs but as between war industries themselves.

So thoroughly and efficiently has Mr. Berkinshaw done his job that Hon. C. D. Howe has now, without hesitation, handed to him complete authority for war supply in Canada. Under Berkinshaw the planning, co-ordination and control of all matters affecting war supply will now be centred. He will continue as Director-General of Priorities, will assume authority over the 12 wartime controllers, and be responsible as well for the economic and statistical work of the department.

These are his internal, departmental duties, but, equally important, he is now a member of the enlarged Wartime Prices and Trade Board. Thus there will now (and for the first time) be direct coordination between war supply on the one hand and price control on the other.

Furthermore, in the new control machinery a "floating" membership will be created to permit individual wartime controllers in Mr. Berkinshaw's department to have direct access to the deliberations of the Price Control Board.

Both McKinnon and Berkinshaw have high mutual regard one for the other. There is no question that they will work effectively and wholeheartedly together.

There is no question also but that their powers over both war and civilian industry in the next few months will be extended immeasurably.

* * *

Steel Ambassador

Of increasing importance in Canada's war effort is the maintenance of close liaison between Canada and the U. S. in matters of war supply. Without U. S. machine tools, steel, plane engines and other key items, our two-billion-dollar munitions programme would be hampered and restricted. Even now, in spite of tremendous aid which has already been given us, the supply of essential war material from the U. S. is probably the most important single limiting factor in our war effort.

Because about one third of our steel requirements must come from the United States and because the U. S. has placed steel production in a 100% priority straight-jacket, Canada has had to extend its steel control machinery so as to police not only every pound of steel which comes from the United States but every pound which is used in Canada. This means a full-time priority and supply organization in Canada and a full-blooded organization in the United States capable of dovetailing U. S. supply and control machinery into Canadian production and supply.

Our steel control office, which has been functioning in Washington for only a few weeks, emerges therefore as one of the most important jobs in the field of munitions and supply. It is a job which has been entrusted to D. B. Colyer, a son of Illinois who has lived in Canada for the past two years as a kingpin in Trans-Canada Air Lines.

D. B. COLYER

Mr. Colyer was one of the brilliant young men whom Philip H. Johnson brought up to Canada in 1937, after he had been asked by Hon. C. D. Howe to create in this country a top-flight transcontinental air service. When Mr. Johnson returned to the U. S., D. B. Colyer was promoted from his job as chief technical advisor and named vice-president in charge of operations for T. C. A.

Mr. Colyer was due to return to the U. S. a year ago, but he was persuaded to stay until Sept. 1 of this year. Now he has definitely resigned from T. C. A. to do another job for his friend Mr. Howe. The other job is chief of Canada's steel control organization in the U. S.

Mr. Colyer's background is aviation, but his record in Canada as an administrator and a man who can get things done suggests he is well-suited to his new job. When the war is over some way will have to be found to keep the brains and energy of this "import" permanently in Canada.

Other People's Views . . . .

The Canadian Editorial of the Week

Our Pipsqueak Voice

Maclean's Magazine

One sector of the propaganda front on which this country could do more than it has done is that of short-wave radio broadcasting.

Friend and foe alike have long since realized the strategic importance of the radio weapon. Day in and day out, night after night, the war of words booms through the ether in battle which encircles the globe.

Germany, with an estimated eight giant transmitters of its own, is also using the powerful short-wave facilities of France, Holland, Norway, Belgium. Italy has six high-powered stations, three of them of 100 kilowatts. Japan has just announced the construction of two new 50-kilowatt transmitters. Axis propaganda is blanketing the air waves over more than 100 frequencies.

Britain has at least seven long-range stations, is spending a reported $16 millions a year on international broadcasting.

The United States, late in the field, now has a battery of thirteen transmitters of 50-kilowatt power or more, two of them of 100 kilowatts. These are now broadcasting throughout the world in nine different languages.

Canada has one experimental short-wave station — CBFW-Y at Vercheres, Quebec — with power of only seven and a half kilowatts. Directed toward the west it has been heard in Australasia but its power falls ludicrously short of the minimum 50-kilowatts regarded as necessary for efficient international broadcasting.

In the welter of air-wave war the voice of Canada is a pipsqueak voice squealing to the heavens against thundering batteries of Big Berthas.

This Dominion happens to be the only considerable part of the Empire which lies in the Americas. As North Americans we should be able to broadcast the truth about the Empire's war effort, the truth about our own effort, to other Americans. To the French in the West Indies, to the millions in South America where the battle of the air waves is critical.

But we haven't the means.

Why?

* * *

As Others See Us

Tax-free Co-operatives

Moncton Transcript

"The highly-taxed business houses of Canada should not overlook the social revolution that 'co-operative' business operations are bringing about," warns The Financial Post. "The co-operative movement is big business," it explains and, it declares, "What is more important a lot that passes for 'co-operation' is called that merely to escape legitimate taxation."

Undoubtedly the situation is one that demands attention if, as The Post suggests other business is to stagger along under an increasing load until every unit is forced to escape, disguised as a co-operative, and the government is left with no business to tax.

There is a method of dealing with the situation. The financial paper itself indicates a way out when it remarks that "Britain has been gradually bringing co-operatives under the full range of taxation."

* * *

Post-war Expansion

Whitby Gazette & Chronicle

Prior to and since the outbreak of the war many new industries have been established in smaller communities of Ontario, like Frankford, by refugees from Europe. The Financial Post has made a survey of these, and states that the refugees have "brought with them more than capital assets and expert knowledge or skill. They have created new industries and trades and stimulated employment for Canadians . . . A group of only eight, typical of those with payrolls, are employing a total of 1,150 persons, mostly Canadians. Scores of additional people are employed indirectly as a result of the activities of others."

As the war proceeds, and particularly after the war when there may be a great influx of migrants from the old world, many new industries will be started up in Canada, and these should be distributed among the towns and small cities and not segregated in the big cities like Toronto.

* * *

Gas Rationing

Trail (B.C.) Times

If the citizens of Canada do not buy less gas at the request of the Dominion government, it is quite likely that the government will ration gas as has been done in Britain.

With regard to rationing, The Financial Post warns:

In any compulsory gasoline rationing scheme, the authorities must recognize that there has been a revolution in transportation methods in this country in the past decade or so. A sweeping reduction in motor fuel might work a very real hardship in many cases, indeed, might seriously interfere with Canada's war effort.

* * *

Rebuilding Towns

Fergus News-Record

The Financial Post discusses the opportunities for using scientific town planning in the erection of new communities around war industries or the removal of towns such as Morrisburg and Iroquois when the St. Lawrence River development gets under way.

There are chances that residents of the Fergus district are apt to be a bit sceptical about whether these and similar communities will be laid out, fresh and new, on the land above the new lake. There is no reason why it shouldn't be done. There was no reason, either, why a new and better village of Belwood should not have been erected near the upper end of the new lake in West Garafraxa township. It wasn't done. Instead, Belwood was badly wrecked and a large number of the buildings simply disappeared, while business men moved away to greener fields. Belwood, like Morrisburg and Iroquois, was in the way of a water development.

Unless those in charge of the planning along the St. Lawrence profit by the lessons learned at Belwood, the same results will probably follow.

The Mail-box

Union Now, British Idea

Editor, The Financial Post:

In a recent issue of The Post there was an article commenting on Clarence Streit's book, "Union Now."

His first book on this question appeared early in 1939 and I understand that later he has written another to meet the changed conditions. The value of these two books is, I believe, in that they are addressed to the American public by an American, rather than in the originality of their ideas.

The article in your paper seems to assume that the ideas in these books are original, so apparently the writer is not aware that in "Civitas Dei," the first volume of which was published in 1934, Lionel Curtis advocates a federal union of democracies in principle much the same as Mr. Streit.

As this war develops there may come into view a practical political possibility of the federal union of the English-speaking peoples and it is to the credit of Mr. Streit that he is promoting this, still at the moment the conception of Mr. Curtis outlined in concrete form in the third volume of his book, "Civitas Dei," does seem to be within the bounds of political possibility to an extent that as yet Mr. Streit's book has not reached.

It is impossible for me here to outline the position taken by Mr. Curtis, but this is written to express regret that the Canadian public should have the impression that this conception originated in the U. S. A. and not in Britain.

E. W. White.

St. Marys

* * *

Stop Me If . . . .

A pro at the horse races was nervously scanning the betting odds when he met a friend who accosted him:

"Jim, you look worried."

"Gosh, I am! I hope I can break even today. I need the money."

Sayings of the Week

"How are we going to win the war? First we shall see that we do not lose it."—*Winston Churchill.*

* * *

"The need is great, the time is short, and urgency must be the watchword of all we do."—*Lord Beaverbrook.*

* * *

"There is only one way to meet total war, and that is by total effort—effort not for a day, or for a week or a month, but every day until victory is won."—*W. L. Mackenzie King.*

* * *

"On unity of purpose, devotion to justice, truth, democracy and the might of our aims rests our salvation. We must stand firm." — *Henry Wallace, Vice-President of the United States.*

* * *

"If Hitler has not yet declared war upon the United States it is surely not out of his love for American institutions. It is certainly not because he could not find a pretext. He has murdered half a dozen countries for far less." — *Prime Minister Churchill.*

* * *

"We are determined on the destruction of Hitler and his regime and all it stands for. For we know that until this is achieved, no foundation will exist whereon lasting peace can be built."—*Anthony Eden, British Foreign Secretary.*

* * *

"The Germans have had their day; now our day is beginning, and with the victory of arms shall come freedom and the rebirth of a new and better world. And that will be, in part, because of what Canadians are doing now."—*Walter P. Zeller, new head, Canadian tourist promotion.*

* * *

"I have seen vast shipments of goods to Britain. I have seen war work on a gigantic scale but Canada's war effort must still grow. We all—and that includes us in Britain, too—must make still greater efforts if we are to win the war."—*Rt. Hon. Malcolm MacDonald, British High Commissioner in Canada.*

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Few Aluminum Saucepans Now

Domestic Consumption Now Cut to 2%

While citizens across Canada are being urged to contribute aluminum pots and pans to swell the supply of this vital war metal, officials report that the diversion of aluminum, nickel, and zinc to essential industries through the curtailment of non-essential consumption is gaining satisfactory momentum. Nonessential use of aluminum—that is in strictly civilian lines—will drop sharply this year to an estimated 2% of the total domestic consumption. This compares with 27% in 1940.

The so-called non-essential consumption of nickel, another vital war material, is to be restricted to approximately 15%, against 40% in 1940, while non-essential use of zinc will be reduced from 64 to 25%.

Shows Curtailment

The following tabulation shows estimated domestic consumption rate of aluminum, nickel, and zinc divided as to essential and non-essential uses:

	Essential 1941	Essential 1940	Non-essential 1941	Non-essential 1940
	%		%	
Aluminum	98	73	2	27
Nickel	85	60	15	40
Zinc	75	36	25	64

The first step in aluminum control was taken in August, 1940, when the use of the metal for electrical conductors was banned. Manufacturers of aluminum cooking utensils and foil rollers were notified that supplies of primary aluminum would not be available for those purposes. July 15, 1941, control and curtailment were extended to secondary and scrap aluminum.

So far no action on prices for secondary or scrap aluminum has been taken. In the case of scrap, the producers and users of secondary aluminum in Canada are officially declared to be voluntarily adhering to the price schedule prevailing at the outbreak of war. Also, they have agreed to restrict the use of secondary aluminum as far as possible to essential war purposes. The use of aluminum powder is being strictly rationed for essential needs or for purposes where no substitute is practical.

Acted Voluntarily

The International Nickel Company of Canada, as the only producer and distributor of primary nickel in Canada, in co-operation with the Metals Controller, has taken steps to exercise a measure of control in the domestic consumption of the metal.

Curtailment of domestic consumption of zinc was started in May, 1941. As a first step all exports of zinc die castings were stopped. Further steps are being taken to reduce the zinc content of non-essential products. Principal industries using zinc are the brass, die casting, galvanizing, battery manufacturers, paints and oilcloth, rubber cables, lithographers and engravers. Representatives of all these industries have been called together by the Metals Controller and their co-operation secured in bringing about domestic curtailment.

On July 31 Metals Controller G. C. Bateman called together representatives of the whole washing machine industry in Canada and they voluntarily pledged the industry to curtail consumption of aluminum and zinc metals which, based on 1940 consumption, is equivalent to 35% of the current 1941 rate.

To institute curtailment of zinc oxide in the rubber, paint and miscellaneous industrial groups, thus saving zinc metal, the Metals Controller has formed a Zinc Oxide Committee which includes all principal producers and distributors of this product in Canada. This Committee meets regularly to allocate available supplies for the most essential purposes.

The Week in Business

Current business more active than year ago though slightly below previous week according to D. B. S. index of business activity for week ended Aug. 23.

Railway carloadings for week ended Aug. 23 and year to date continue well above 1940 levels.

Iron and steel production in July substantially above same month last year, with cumulatives for seven months up 13% for iron and 20% for steel.

Construction contracts awarded, in August, 10% lower than in same month of 1940. Total for eight months 45% higher.

Newsprint exports in July slightly under year ago. Total for first seven months up nearly 6%.

Total Canadian imports show large increases for July and seven months over 1940.

Sugar grindings in four weeks ended Aug. 9, nearly 40% higher than in corresponding period last year. Cumulative for 1940 to date 3.3% higher.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus □.

TREND OF BUSINESS—	Aug. 23	Aug. 16	Aug. 9	Aug. 2	Aug. 24/40
Weekly index of business, D.B.S.	114.8	115.1	114.8	114.2	104.1
Commodity prices index no.	91.8	91.4	91.2	91.0	82.7
	July	June	May	Apr.	Year Ago
The Financial Post business index	*157.8	155.1	150.3	147.9	139.5
National Income, D.B.S. •	....	436.2	439.6	432.4	381.5
Retail sales index no.	....	134.3	134.7	135.3	116.6
Dept. store sales index no.	132.5	123.1	129.2	133.4	114.6
Wholesale sales index no.	....	140.0	148.4	141.7	136.3
Country store (% change pr. yr.)	....	+5.2	+8.8	+13.3	+8.3
COST OF LIVING—					
D.B.S. index	111.9	110.5	109.4	108.6	105.6
Family weekly budget	....	$18.50	$18.30	$18.23	$17.72
EMPLOYMENT INDEX Nos., D.B.S.	June 1	May 1	Apr. 1	Mar. 1	Year Ago
All industries	153.0	145.5	141.3	135.3	120.9
Manufacturing	167.5	162.3	158.2	150.8	129.2
			Jan. 1 to date		%
RAILWAYS—	1941	1940	1941	1940	Change
■Carloadings (week Aug. 23)	65,654	59,400	1,997,441	1,742,957	+14.6
C.N.R. gross (week Aug. 21) $	5,832,195	4,737,566	184,599,741	149,935,302	+23.1
C.P.R. gross (week Aug 21) $	4,742,000	3,311,000	132,491,000	100,855,000	+31.4
C.N.R. net revenue (July) $	4,916,312	4,172,586	37,024,523	20,372,668	+82.0
■C.P.R. net revenue (July) $	3,195,419	2,404,830	23,115,113	15,040,837	+53.8
IRON AND STEEL—(July)—					
■Pig iron production (tons)	102,005	95,924	726,556	645,551	+12.7
■Steel ingots and castings prod (tons)	197,316	169,583	1,345,751	1,127,823	+19.3
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (June)	8,108	12,604	58,087	69,702	—16.7
Factory output .. (July)	3,649	3,397	69,048	75,576	—8.6
Trucks and Buses:					
Domestic sales* .. (June)	3,557	2,950	20,766	16,897	+22.9
Factory output .. (July)	20,805	11,071	108,477	49,838	+117.7
Financing:					
Used (June) $	5,911,251	4,860,525	28,677,863	21,402,739	+34.0
New (June) $	3,764,209	3,979,592	22,670,186	19,611,966	+15.6
CONSTRUCTION—					
■Contracts awarded . (Aug.) $	36,123,900	40,747,900	283,545,300	195,489,000	+45.0
Cement prod., bbls. (May)	861,000	732,000	2,392,746	1,798,862	+33.0
AGRICULTURE—					
Flour prod., bbls. .. (June)	2,117,976	1,170,238	10,016,499	7,567,572	+32.3
Flour exp., bbls. .. (July)	1,921,655	313,864	7,383,795	4,065,870	+81.6
Wheat exp., bush. . (July)	19,346,333	11,867,516	118,367,659	79,569,798	+48.8
Cattle sales▲ (July)	108,827	106,634	585,289	556,194	+5.2
Hog sales▲ (July)	434,808	372,204	3,446,217	2,695,636	+27.8
SEA FISHERIES—‡					
Catch cwts. (June)	1,044,000	814,000	3,645,800	4,829,500	—24.5
Landed value (June) $	2,823,100	1,754,300	7,544,330	6,316,200	+19.4
NEWSPRINT—					
Production, tons (July)	293,483	332,689	1,914,617	1,974,676	—3.0
■Exports (July) $	14,453,000	15,222,000	86,110,357	81,300,845	+5.8
MINING AND OILS—					
Coal prod., tons (June)	1,157,727	1,159,552	8,390,938	8,264,448	+1.5
Coal import, tons .. (June)	2,465,664	2,414,108	6,033,483	6,727,131	—10.3
Gold rec., fine oz. . (July)	453,184	401,186	2,983,063	2,846,800	+4.8
Crude oil, imp. gals† (June)	183,271	158,725	643,834	552,069	+16.6
ELECTRIC POWER OUTPUT—(June)—					
Total monthly, 1,000 kw.h.'s	2,560,060	2,578,883	15,732,385	14,968,503	+5.1
FOREIGN TRADE—♦					
■Imports (July)	127,707,345	89,496,233	772,991,759	585,597,018	+32.0
Exports (July)	170,900,855	101,463,170	891,214,162	655,174,199	+36.0
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft (July)	223,186	243,617	1,174,554	1,229,922	—4.5
Shoes, prod., pr. (June)	2,781,325	1,750,984	14,956,922	12,725,941	+17.5
Cotton consump., lb. (June)	15,915,739	15,378,128	98,620,217	96,600,255	+2.0
Raw rubber imp. lb. (June)	6,312,139	2,381,871	55,749,702	41,033,486	+35.8
Cigarette cons. No.† (July)	772,165	648,304	4,580,845	4,344,892	+5.4
■Sugar manufactured .. lb.§	91,531,291	65,603,276	567,261,274	549,006,346	+3.3
FINANCE—					
Bank debits† (June) $	4,240,630	2,681,585	18,610,099	17,001,690	+10.5
Bond sales† (July) $	111,439	119,284	1,385,142	1,258,152	+10.0
Life insurance sales (July) $	32,681,000	28,159,000	231,447,000	216,527,000	+6.9

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants. New items for week marked ■
†000's omitted. §For four weeks to Aug. 9. ♦Gold excluded.
•Millions of dollars. *Preliminary.

Wages Show Minor Gain

Slight gain in average earnings of Canadian industrial workers in May over April is revealed by the Dominion Bureau of Statistics.

Last week The Financial Post reported that a new yardstick for measuring wage earnings in various parts of Canada has just been developed.

The new figure shows aggregate weekly earnings in a selected week of each month. Per capita and total figures are available for each province for each of eight leading industries and for eight key cities. They are published once a month by the Dominion Bureau of Statistics as part of the regular monthly report on employment.

Because of the difficulty of getting the index under way this report has been delayed in publication. Latest report, second to be published, shows employment at the beginning of June together with payrolls for one week in May.

	Aggregate weekly earnings*	Average per capita earnings one week in April	Average per capita earnings one week in May
(a) Provinces:	$	$	$
Maritimes	2,433,095	21.46	21.10
Prince Ed. Is.	43,676	19.91	21.01
Nova Scotia	1,483,577	20.93	21.56
New Brunswick	905,842	22.42	20.31
Quebec	10,709,145	23.44	23.38
Ontario	17,649,691	26.71	26.85
Prairies	4,480,646	25.33	25.80
Manitoba	2,139,109	25.70	26.16
Sask.	868,123	24.45	24.59
Alberta	1,473,414	25.33	26.02
British Columbia	3,349,754	26.63	26.90
(b) Cities:			
Montreal	5,281,796	24.71	24.71
Quebec	488,434	20.66	20.72
Toronto	5,231,894	26.60	26.65
Ottawa	456,921	23.65	23.04
Hamilton	1,461,037	27.49	27.66
Windsor	1,186,218	37.45	37.69
Winnipeg	1,296,596	24.90	25.43
Vancouver	1,279,885	25.42	25.60
(c) Industries:			
Manufacturing	22,528,809	25.82	25.82
Logging	885,291	20.26	18.85
Mining	2,621,321	29.48	31.23
Communications	704,770	26.81	27.13
Transportation	3,646,745	29.10	29.43
Construction	3,985,850	22.34	22.55
Services	608,478	15.98	15.98
Trade	3,641,066	22.41	22.68
Canada	38,622,330	25.21	25.26

*Reported in one week in May.

Quebec Spends Within Income

Over-all Balance on Budget Reported for First Five Months

From Our Own Correspondent

MONTREAL.—The Province of Quebec has rehabilitated its finances to the point where it is currently living on income without having to borrow money, Hon. J. Arthur Mathewson, K.C., provincial treasurer, reports in presenting financial results for the year ended March 31.

In the first five months of the present year, which began April 1, the province has balanced its budget on an overall basis, the treasurer states in a supplementary report.

No New Money

If nothing develops in the future to upset its calculations the Godbout Government will have implemented its pledge to place the province on a pay-as-you-go basis. Necessity for borrowing money for current operations will have been obviated. Refunding operations will be necessary, however, to take care of the $10 millions of 2% debentures, which matured Aug. 1, and which have not yet been refunded, as well as a $5 millions issue maturing Nov. 1.

Revenue has been extremely buoyant and well above Quebec's expectations, largely because of the revenue accruing to the province from Canada's war stimulated economy. Substantial reduction in expenditure has been made.

Improves on Budget

The government budgeted for an overall deficit of $26.3 millions in the year ended March 31, but largely because of the foregoing factors, actual results was a deficit of $15.9 millions, $10.4 millions less than anticipated. This was due to a $3.3 millions betterment in ordinary revenue and a reduction in capital expenditure of $7.1 millions below estimate. Ordinary outlay was $21,000 less than estimate.

Prior to the past year the Quebec government ended its financial year on June 30. To conform with other governments, principally Ottawa, it changed the year end to March 31.

Improvement in operations over preceding years is shown in the following:

	Years Ended Mar. 31 1941	June 30 1940	June 30 1939
	In $000's		
Ord. rev.	55,969	64,241	62,158
Ord. exp.	52,456	78,286	65,364
Ord. surplus	3,513	*14,045	*3,206
Capital exp.	19,458	36,482	59,329
Over-all deficit	15,945	50,527	62,535

*Deficit.

Note:—Reimbursements for unemployment relief received from the Dominion government and municipalities in 1940-41 for direct relief amounting to $1,384,331 and for relief works of $916,024 were not credited to the year's operations as they applied to advances made during previous year. These amounts were not included in revenue for the fast year, but will be reflected in a balance sheet reduction of the amount charged to unemployment relief.

If the government had included the $2.3 millions of receipts from relief in current revenue results for the year would have been improved by a corresponding amount.

Final results for 1940-41 vary little from the interim report presented to Legislature by Mr. Mathewson March 18 this year.

C.P.R. Earnings At 11-Yr. Peak

Net of $3.2 Millions Up $790,588 from July, 1940

From Our Own Correspondent

MONTREAL. — Net earnings of Canadian Pacific Railway Co. for July were the highest for that month since 1930. Totalling $3.2 millions, they were $790,588 higher than the same month last year.

Gross earnings for the month amounted to $19.4 millions, a gain of $4.1 millions over July, 1940. Expenses increased by $3.3 millions to $16.2 millions.

The company reported gross revenue of $119.2 millions in the first seven months of the year, a gain of $28.5 millions over the corresponding period of 1940. Expenses increased by $20.4 millions to $96.1 millions, leaving net earnings of $23.1 millions for the period. This represents an increase of $8.1 millions over the same seven months last year.

Operating Statement

July:	1941	1940
	$	$
Gross revenue	19,359,454	15,303,416
Less: Expenses	16,164,034	12,898,586
Net earnings	3,195,420	2,404,830
Seven Months Ended July 31:		
Gross revenue	119,199,840	90,688,088
Less: Expenses	96,084,726	75,647,251
Net earnings	23,115,114	15,040,837

U. S. Fidelity Buys Office Building

The United States Fidelity and Guaranty Co. has purchased the building at King & Victoria Sts. in which its head office for Canada is located. The building will hereafter be known as the Fidelity Building.

The U.S.F. & G. entered Canada in 1903. In 1922 it formed a Canadian subsidiary, the Fidelity Insurance Co. of Canada. In 1937 the two companies moved into the quarters they have now purchased. They write fidelity, surety and casualty insurance.

Colonel Sidney Band is manager for Canada of the U.S.F. & G. and vice-president and general manager of the Fidelity Insurance Co. of Canada.

Business Moves Upward In All Economic Areas

Canadian business continues to improve in all areas. General advances are shown in The Financial Post Regional Business Indices for July over both the preceding month and last year. The index in each of the five areas reached a new high level for the period of observation from the beginning of 1925 to the present.

The largest gains over the preceding month were in Quebec, Ontario and the Prairies. Compared with July, 1940, the largest gains were on the Prairies and in the Maritimes.

Life insurance sales and electric power output were higher than a year ago in all five economic areas.

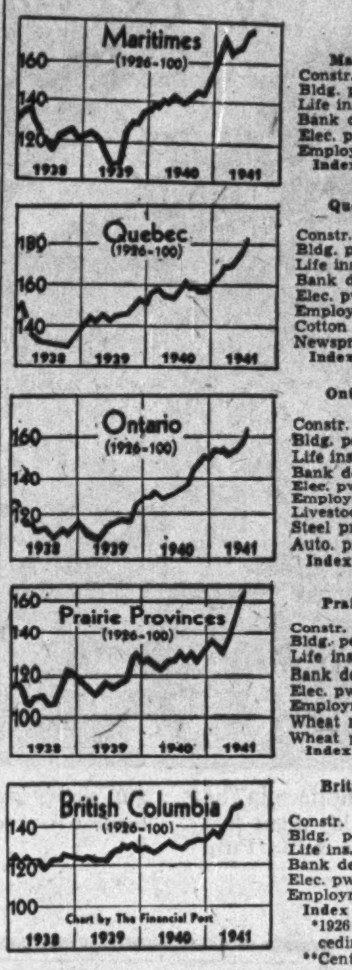

Chart by The Financial Post

Trend of Business in Economic Areas

	July 1941	% Change from July 1940	June 1941
Maritimes:			
Constr. contr. $	4,460,000	+96.9	2,633,000
Bldg. permits $	570,000	+49.2	433,000
Life ins. sales .. $000	2,530	+16.0	2,453
Bank debits, $000,000	75.4	+6.0	95.6
Elec. pwr. . kw.h.000	2,641	+5.8	2,577
Employment*	154.2	+31.8	136.5
Index	176.1	+25.8	175.8
Quebec:			
Constr. contr. $	9,967,000	+130.8	64,436,000
Bldg. permits $	2,383,000	—22.0	2,257,000
Life ins. sales .. $000	8,556	+8.8	9,167
Bank debits, $000,000	907	+17.8	1,174
Elec. pwr. . kw.h.000	30,646	+38.1	31,006
Employment*	157.3	+27.9	146.8
Cotton consump., lb.	16,907,649	+11.7	15,915,739
Newsprint prod. tons	293,483	—11.8	273,697
Index	182.6	+13.8	177.7
Ontario:			
Constr. contr.	$12,249,000	+2.2	14,504,000
Bldg. permits $	6,066,000	+29.8	5,094,000
Life ins. sales .. $000	14,206	+16.7	15,226
Bank debits, $000,000	1,426	+30.9	2,046
Elec. pwr. . kw.h.000	27,165	+10.7	27,196
Employment*	162.1	+28.0	156.4
Livestock slaughter.*	235.4	+29.3	198.5
Steel prod. .... tons	188,169	+11.0	187,163
Auto. prod. .... no.	24,654	+70.4	25,753
Index	163.0	+20.0	158.8
Prairie Provinces:			
Constr. contr. $	3,255,000	—60.3	2,727,000
Bldg. permits $	1,920,000	—36.7	1,798,000
Life ins. sales . $000	4,541	+16.4	4,565
Bank debits, $000,000	622	+20.5	650
Elec. pwr. . kw.h.000	5,120	+9.2	5,235
Employment*	128.3	+19.5	124.1
Wheat receipts . bu.	27,407,000	+30.9	33,428,000
Wheat prices**	74/5	+4.6	77
Index	166.2	+26.5	160.1
British Columbia:			
Constr. contr. $	2,024,000	—20.1	1,448,000
Bldg. permits $	1,278,000	+56.6	1,377,000
Life ins. sales .. $000	2,366	+27.8	1,908
Bank debits, $000,000	210.7	+19.3	275.3
Elec. pwr. . kw.h.000	6,501	+15.1	6,224
Employment*	134.9	+20.4	132.7
Index	150.7	+15.7	149.1

*1926=100. Employment statistics apply to preceding month.
**Cents and eighths of a cent per bushel.

Maple Leaf Milling Gets Dominion Bakeries Plants

On a bid of $85,889 Maple Leaf Milling Co. has acquired the properties of Dominion Bakeries Ltd. under a judicial sale.

Last balance sheet of Dominion Bakeries showed current liabilities of $218,301, of which $215,758 was payable to Maple Leaf Milling. Owing to the size of the Maple Leaf claim against the company, the acquisition of the properties will not involve any further cash outlay on the part of the milling company. The bid of $85,889 also effectually removes any prospect of payments to shareholders. Maple Leaf Milling Company already controlled the majority of the second preferred and common stock.

A number of properties had previously been disposed of and the remainder included bakery buildings at Belleville, Brantford, Chatham, Cobourg, Cornwall, Guelph, Sarnia, Stratford, Wallaceburg and Windsor. With the exception of the Windsor bakery which is vacant, and with no equipment, the remainder are all being operated under lease, the majority on a monthly tenancy basis.

SUGGESTIONS FOR INVESTMENT

The personal requirements of the individual in investment matters constitute an important feature of our investment service. This service is available without obligation at any of our offices.

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ENVELOPES
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Montreal TORONTO Winnipeg
WITH BULLDOG GUMMING
ENVELOPES of all types!

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For a trifling rental you may share the security of our vaults and protect your deeds, bonds, policies, your will and other valuables in a safety deposit box which we provide.

You Keep the Key
Safety Deposit Boxes at all Branches

219

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Head Office: Toronto
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VAPOR SEAL
ASPHALT LAMINATED
For Moisture-Proof Insulation
LATH • SHEATHING
ROOF INSULATOR
Produced in Canada
BUILDING PRODUCTS LIMITED
Montreal Toronto Hamilton Winnipeg Saint John Halifax

Strength and Stability
IN
Sales Finance

INDUSTRIAL ACCEPTANCE CORPORATION, the largest Canadian-owned company in the field of instalment finance, has constantly directed its influence towards sound terms of repayment in instalment selling.

Of the $18,000,000.00 receivables on the books of the Corporation at August 1st, 1941, approximately 90% or $16,000,000.00 matures within 12 months. The average down payment of retail transactions purchased is about 38%.

In the 10-year period beginning January 1st, 1931, I.A.C. has financed over $200,000,000 of contracts the loss ratio on which has been 34/100ths of 1%. This period included the most severe depression in history.

Working capital of the Corporation and its wholly-owned subsidiaries, Industrial Factors Corporation, Limited, and Campbell Auto Finance Company, Limited, is in excess $5,000,000.

Industrial Acceptance Corporation
Limited

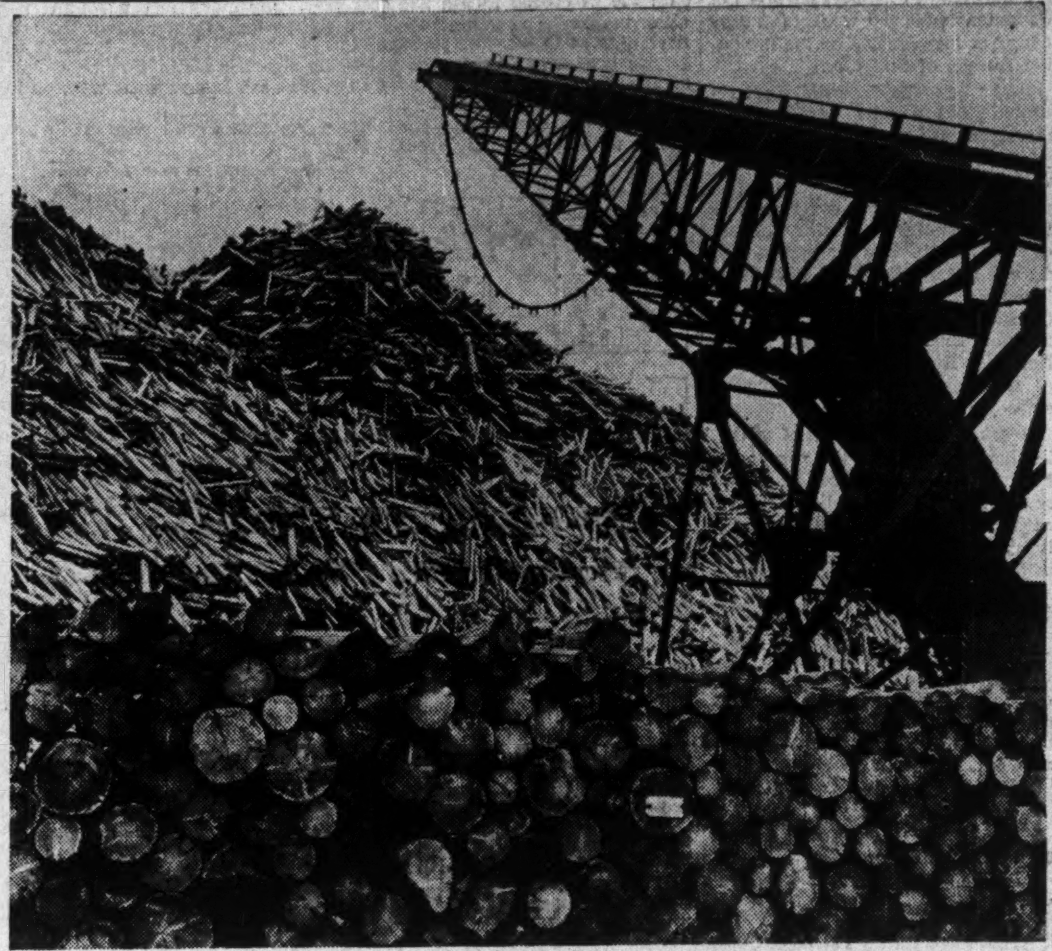
Head Office: Toronto
Executive Offices: Sun Life Building, Montreal
Branch Offices in 25 Canadian Cities

DIRECTORS
Russell D. Bell, President. J. P. A. Smyth, Vice-President & Managing Director.
John W. McColl, Arthur J. Morris, Paul F. Sise, Arthur A. Schmon,
Hon. Wilfrid Gagnon, Louis S. St. Laurent, K.C.

Subsidiaries: CAMPBELL AUTO FINANCE COMPANY LIMITED
INDUSTRIAL FACTORS CORPORATION LIMITED

Canadian Pulp Meets U. S. Needs

Trade Up From $28 Millions to $45 Millions from 1939 to 1940



A mighty flow of U. S. dollars in the making is represented by this giant pile of pulpwood at a Canadian mill. Pulp and paper products are the Dominion's largest source of this vital war commodity.

By JOHN LANGDON
Eastern Editor, The Financial Post

MONTREAL.—Over 75% of all the pulp imported into the United States during 1940 came from Canada. In the previous year the Dominion supplied about one third of the imports and the year before that only 25%.

Re-orientation of the international pulp market following upon the war is set out graphically in the annual survey prepared by the American Pulp and Paper Association.

This survey shows, among other things, that the demand for pulp in the United States—the world's largest market—has increased substantially in the past three years. Moreover much of this increase has been taken care of by an advance in domestic production which, with the gain in Canadian imports, has offset the sharply diminished supply from Europe.

Use Record Tonnage

During 1940 the apparent consumption of pulp in the United States was $9,553,390 tons. This represented a gain of 673,119 tons over the previous year and established an all-time record.

The manner in which this tonnage was made up is shown in the table below:

	Tons
Gain in U. S. consumption	673,119
Change in—	
U. S. output	+1,817,666
U. S. exports	— 342,676
Net gain in supply	+1,474,990
European imports	— 992,248
Canadian imports	+ 190,377
Increase in supply	— 673,119

Big Gain in 1939

In 1939 the United States pulp consumption amounted to 8,880,271 tons, or 1,376,802 tons more than in the preceding years. As a matter of interest and to show the change in the source of supply compared with 1940, a breakdown of supply follows:

	Tons
Gain in U. S. consumption	1,376,802
Change in—	
U. S. output	+1,059,774
U. S. exports	+ 980
U. S. net gain	1,060,754
European imports	+ 145,418
Canadian imports	+ 170,630
Increase in supply	1,376,802

From the foregoing it will be noted that Canadian shipments to the States in 1940 increased 190,377 tons over 1939. In 1939 Canada's exports to that market advanced 170,630 tons, or roughly 20,000 tons less than last year.

Larger Share to Canada

The position of the Canadian pulp mills in the American market is clearly shown in the association's calculation on the sources of supply expressed as a percentage of total consumption.

European sources supplied 31% of the sulphite pulp demands in 1938; 26% in 1939 and 7% in 1940.

Canada supplied 10% of the sulphite demand in 1938; 12% in 1939; and 17% last year.

Over the same period U. S. production of sulphite increased from 59% to 62% to 76%.

Sell More Kraft Pulp

Much the same picture is shown for sulphate or kraft pulp.

American mills supplied 82% of domestic requirements in 1938 and 1939 and 92 in 1940.

European sources supplied 15% of the sulphate pulp in 1938 and 1939 and only 5% last year.

On the other hand Canada's share of the U. S. sulphate market remained unchanged during the three years.

The fact should not be overlooked, however, that during this period American consumption of sulphate pulp increased from 2,947,472 tons to 3,85[illegible],437 tons.

Benefit to Canada

During 1939 and 1940 marked changes took place in the American supply of pulp and, without exception, to the benefit of Canada.

The Dominion now constitutes the the principal source of U. S. pulps imports.

In 1940 out of 1,224,570 tons imported by the States, 828,330 came from Canada. During the previous year Canada supplied 637,953 tons out of a total of 2,026,441 tons imported.

Germany Washed Up

Over this period Germany was completely eliminated from the American market.

Finnish shipments declined 75%; Swedish deliveries by nearly 70% the Norwegian supply by 82%.

Sources of Supply Change

The change which has occurred in sources of supply of pulp imported into the States during 1939 and 1940 is set out below:

IMPORTS OF ALL GRADES
(In Tons)
ALL GRADES

	1940	1939
Canada	828,330	637,953
Sweden	279,022	873,359
Finland	93,350	336,618
Norway	17,190	95,604
Germany	0	21,142
Others	6,678	61,765
Total	1,244,570	2,026,441

Canada Makes Gains

Examination of the breakdown of imports reveals where Canada has made substantial gains at the expense of the Scandinavian countries.

In the matter of bleached sulphite shipments from the Dominion to the United States increased from 252,414 tons in 1939 to 309,427 tons in 1940.

Heavy losses were scored by all other countries shipping to the United States, as will be seen in the following table:

BLEACHED SULPHITE

	1940	1939
Canada	309,427	252,414
Sweden	17,535	64,855
Finland	13,256	70,611
Norway	10,822	65,516
Germany	0	8,702
Others	1,877	12,011
Total	352,917	474,109

More Unbleached Sulphite

Much the same story applies to unbleached sulphite. In this particular category Canada has recorded her greatest advance in exports, shipments to the States from 1939 to 1940 increasing by nearly 100%, or from 110,144 to 214,818 tons.

American imports of unbleached sulphite from other countries fell off sharply, though not quite to the same extent as for the bleached product.

UNBLEACHED SULPHITE

	1940	1939
Canada	214,818	110,144
Sweden	118,941	374,003
Finland	33,184	115,844
Norway	1,646	14,145
Germany	0	12,440
Others	4,801	34,617
Total	373,390	661,390

Kraft Needs Less

Because of the very substantial increase in sulphate pulp capacity from 1926 onward, the United States has had to depend very little upon imports to meet her requirements.

As regards bleached sulphate Canada supplied 46,139 tons of the 108,252 tons imported by the States in 1939 and 58,462 tons out of 84,887 tons brought in last year.

BLEACHED SULPHATE

	1940	1939
Canada	58,462	46,139
Sweden	23,925	53,637
Finland	2,500	8,196
Norway	0	280
Germany	0	0
Others	0	0
Total	84,887	108,252

More of All Grades

American imports of unbleached sulphate were cut from 546,167 tons in 1939 to 223,577 tons in 1940. Canada's exports to that market increased by 10,000 tons over the two years, but all other countries experienced a sharp reduction in trade.

This is more fully set out in the following table:

UNBLEACHED SULPHATE

	1940	1939
Canada	68,882	58,116
Sweden	106,789	335,550
Finland	43,184	121,819
Norway	4,722	15,545
Germany	0	0
Others	0	15,137
Total	223,577	546,167

More U. S. Dollars

Expressed in dollars the value of all pulp imports into the United States last year totalled $60.2 millions. This contrasts with $75.9 millions the year before.

During the two-year period Canada boosted her trade from $28.4 millions to $45.1 millions. Swedish sales dropped from $29.1 millions to $10.1 millions, while those of Finland declined from $11.5 millions to $3.9 millions.

The value of U. S. pulp imports by countries during 1940 and 1939 follows:

VALUE OF U. S. PULP IMPORTS

	1940	1939
Canada	$45,101,058	$28,455,636
Estonia	131,448	1,240,371
Finland	3,897,056	11,483,401
France	856	...
Newfoundland	1,164	...
Norway	805,919	3,922,228
Roumania	95,442	334,853
Sweden	10,160,723	29,145,798
Czecho-Slovakia	...	237,948
Germany	...	788,870
Latvia	...	137,295
Lithuania	...	83,916
Poland	...	61,315
	$60,193,666	$75,891,631

Canal Traffic Shows Gain

Welland Up But St. Lawrence Down—Sault At Record

From Our Own Correspondent

MONTREAL.—Traffic through the Welland ship canal rose to nearly 2 million tons in July, an increase of 129,944 tons over the same month last year. Grain movements were lower for the month, but gasoline movements through the canal were up 52,118 tons over the same month last year; petroleum and other oils up 6,754 tons; pulpwood, 11,987 tons; soft coal, 107,556 tons and iron ore by 48,045 tons.

St. Lawrence canal traffic dropped 80,201 tons from July last year, due to decrease of 60,959 tons in corn movements, 78,678 tons less wheat; iron and steel were down by 15,685 tons and anthracite coal by 21,715 tons. Flour shipments passing through the locks were up 21,049 tons; gasoline, 12,954 tons; petroleum and other oils, 17,479 tons; pulpwood, 16,842 tons and soft coal, 34,232 tons.

Sault Canal Record

The Canadian and U. S. locks of the Sault Ste. Marie canals reported record traffic movement of 15.5 million tons in July. This compares with previous peaks of 14.2 million tons in June, 1937, and 14.1 million tons in July, 1929. The first time tonnage passing through the locks passed the 15 million mark was last month.

Iron ore for huge armament programmes of both countries passing through the Sault locks totalled 12 million tons, against 10.8 million tons in July last year. Wheat movements increased to 39.9 million bus. from 17.4 million bus., while soft coal tonnage declined to 1.4 million tons from 1.6 million tons. Oil and gasoline increased to 148,706 tons from 144,594 tons.

Name Three Committees For U. S. Pulp Group

From Our Own Correspondent

MONTREAL. — Three divisional committees, which will later become subcommittees of an over-all Pulp and Paper Defense Industry Advisory Committee have been named in the United States by the Bureau of the Defense Industry Advisory Committees of the OPM.

Three divisional committees were named for pulp, paper and paperboard; paper products, and printing and publishing. An over-all advisory committee will be chosen from the membership of the three divisional committees in the near future.

Announcement was made at the same time of appointment of Norbert A. McKenna as chief of the Paper Pulp, Printing and Publishing Branch of the OPM.

Donnacona Pays First Dividend

From Our Own Correspondent

MONTREAL.—An initial distribution on the class A and B shares of Donnacona Paper Co. has been declared by the company—a dividend of 10 cents a share, payable Oct. 1 to shareholders of record Sept. 15.

Disbursement restrictions were imposed on the A and B stock in the reorganization of 1932. These were removed by the 1932 reorganization, with the exception no dividends could be paid, which would reduce net working capital below $1 million.

At the end of 1940 net working capital totalled $1.1 million.

Quebec Power Earnings Gain

Net for Half Year Before Income Tax $546,550, Against $505,688

From Our Own Correspondent

MONTREAL.—Quebec Power Co. reports gross revenue of $2.5 millions in the six months ended June 30, compared with $2.3 millions in the corresponding period of 1940.

Operation, taxes and other expenses increased by $104,536 to $1.5 million, and depreciation provision was raised $51,588. Net profit, before income and "excess" profits tax amounted to $546,550, compared with $505,688.

Revenue and Expense Statement
Six Months Ended June 30

	1941 $	1940 $
Gross revenue	2,505,857	2,311,615
Less: Oper., taxes, exp.	1,501,694	1,397,158
Fixed charges	248,390	251,134
Depreciation	209,223	157,635
Net profit*	546,550	505,688

*Subject to income and profits tax.

T. C. A. Announces Staff Changes

From Our Own Correspondent

MONTREAL. — Several staff changes in Trans-Canada Air Lines operating department have been announced by O. T. Larson, newly appointed vice-president, succeeding D. B. Colyer.

From Sept. 1, W. F. English, assistant to the vice-president, will be assistant vice-president.

R. F. George, superintendent of flight operations will become operations manager.

Creates New Posts

Posts of operations superintendents were created for H. H. Kenyon at Lethbridge and F. M. McGregor at Toronto. Mr. Kenyon is now assistant to the general superintendent at Winnipeg and Mr. McGregor, assistant superintendent of flight operations at Lethbridge.

B. A. Rawson, superintendent of flight operations at Toronto, becomes assistant operations superintendent there. E. P. Wells, assistant superintendent at Toronto will move to Winnipeg to the position of assistant superintendent in the office of the operations manager.

W. J. Dalby, western division traffic manager will act as general traffic manager, replacing G. G. Wakeman.

Use New Airport At Montreal

From Our Own Correspondent

MONTREAL. — Montreal terminal of Trans-Canada Air Lines and Canadian Colonial Airways will henceforth be at the new Dorval airport, just outside of the city. The old St. Hubert airport will now be entirely military, control having been taken over of the port by the R.C.A.F. many months ago.

Construction of the Dorval field started last fall and, while not entirely completed yet, is sufficiently prepared to permit establishment of regular commercial service at the field.

Where Newsprint Traffic Goes

60% by Rail, 34% Water, 2% Truck

From Our Own Correspondent

MONTREAL.—All-rail movement of newsprint paper from all mill sources to United States publishers in 1940 represented 59.9% of 2,899,659 tons of newsprint received and consumed, representing 77.7% of the total amount available for consumption.

The all-water movement accounted for 33.9%; all-truck, 2.2%; and the movement via combination of these services 4% of the total.

Cover Major Share

The American Newspaper Publishers Association's Traffic Department figures shown in the accompanying table represent 78.2% of the ANPA estimated consumption of 3,709,028 tons, and 77.7% of the amount of newsprint available for United States consumption during 1940 as reported by the Newsprint Service Bureau.

The figures reported by ANPA members represent 91% of the total received and consumed, balance of 9% being non-member consumption.

A break-down of the consumption percentage indicates that ANPA members received 53.4% of their newsprint shipments in all-rail service; 32.4% in all-water; 2% in motor truck, and 3.2% in a combination of these services.

Amount of newsprint paper received and consumed moving in all-rail service from all mills for account of both ANPA and non-members represented 46.5% of the total available for consumption as reported by the Newsprint Service Bureau; via all-water service 26.4%; via truck services 1.7%; via combination of these services 3.1%, or a total of 77.7% of the total amount of newsprint available for consumption in the United States in 1940.

A further break-down shows that ANPA members received via all-rail service from United States mills 47.1% of the total number of tons available for United States consumption; via all-water 11.8%; via motor truck 5.8%; and via combination of these services 4.4%.

On the other hand ANPA members received from Canadian mills in all-rail service 41.4% of the total amount of newsprint paper available for consumption; via all-water service 28.4%; via motor truck service an amount too small to be considered; and via combination of these services 1.2%.

It is important to note that although the figures for 1940 represent a smaller percentage of the total amount of newsprint available for consumption in the United States during 1940 than the 1939 survey, nevertheless the all-water movement from all sources totals 983,820 tons or an increase of approximately 76,000 tons over 1939.

Truck movements slightly increased from United States mills but declined from Canadian mills.

Likewise the combination movements reported for 1940 are under 1939; all-water movements from European mills fell sharply while movements from Newfoundland increased over 1939.

Methods of Shipping Newsprint Paper Consumed in U. S.—1940 (Tons)

	ALL RAIL		ALL WATER		TRUCK		COMBINATION			
From	ANPA	Non-member	ANPA	Non-member	ANPA	Non-member	ANPA	Non-member	Total 1940	Total 1939
United States mills	456,453	51,647	114,116	12,050	57,541	5,861	42,381	5,560	745,609	895,701
Canadian mills	1,093,013	135,223	730,629	14,542		403	32,685	6,074	2,012,569	1,925,233
European mills			38,662	1,959			2,935	26	43,582	148,607
Newfoundland mills			58,570	13,292			17,128	8,909	97,899	60,181
1940 total	1,549,466	186,870	941,977	41,843	57,541	6,264	95,129	20,569	2,899,659	
1939 total	1,665,658	190,269	870,372	37,558	47,578	8,749	170,456	39,802		3,029,722

Crown Zellerbach Cuts Bank Loan

From Our Own Correspondent

MONTREAL.—Crown Zellerbach Corp. has paid $1 million off its bank loan, reducing outstanding amount to $7 millions. In the past 18 months the company has been paying the loan off at the rate of $1 million about every three months.

Shareholders of the company have elected A. Bankus to the board of directors, filling the vacancy created by the death of Isadore Zellerbach. Mr. Bankus is vice-president of the company, as well as vice-president of Pacific Mills Ltd. He has completed 35 years of service with Crown Zellerbach.

WANTED—FOR CASH

$80,000,000 OF SUPPLIES

Most people think of Pulp and Paper as our great export industry, for newsprint alone is our biggest single source of foreign exchange. But the Pulp and Paper Industry is also outstanding in our domestic trade. Each year its purchases of supplies amount to some $80,000,000 — to the benefit of every Province and almost every form of Canadian enterprise. For example, even in an ordinary pre-war year:

POWER: The Pulp and Paper Industry uses nearly one-half of all power sold in Canada for industrial purposes. Its power bill runs about $20,000,000 a year.

FUEL: An additional 8 million dollars a year goes for fuel.

CHEMICALS: Purchases total over 9 millions a year.

MACHINERY: Heavy machine industries are substantial suppliers. The bill for cylinder and Fourdrinier wire alone is over a million dollars a year.

WOOLLENS: Blankets or "felts" for paper-making machines cost well over 2 million dollars a year.

AGRICULTURE: The industry buys pulpwood from settlers and farmers. Even in 1939 these purchases were over 18 million dollars.

TRANSPORTATION: In an ordinary year transportation companies receive 35 to 40 million dollars in moving supplies for the industry and the finished products.

Purchases by the Pulp and Paper Industry do not end here. Further millions of dollars each year go for Canadian farm and livestock produce. These purchases go through the packing and processing industries to stock-raisers, wheat farmers, dairymen, fruit growers, fishermen; into every corner of the Dominion.

Every Canadian has a stake in Pulp and Paper. It is a corner-stone of national welfare. It is vital to all that the industry be healthy and strong.

THE PULP AND PAPER
INDUSTRY OF CANADA
972 SUN LIFE BUILDING MONTREAL

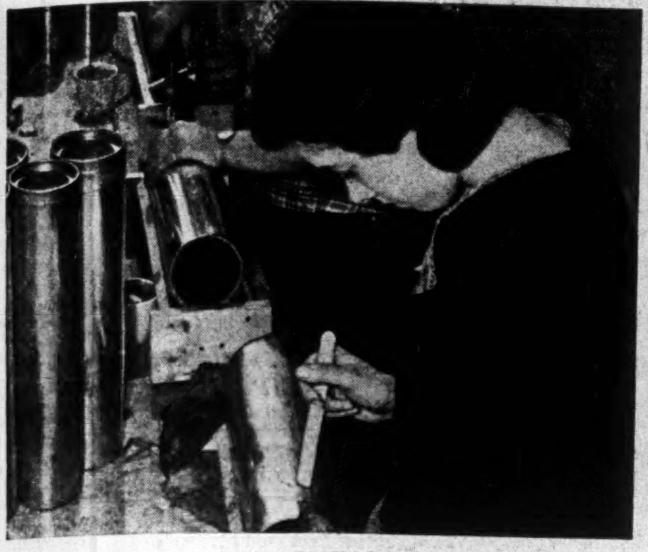
THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, SEPTEMBER 6, 1941 | 10c a Copy; $5.00 a Year | No. 36

U. S.-Canada War Gears Begin to Mesh

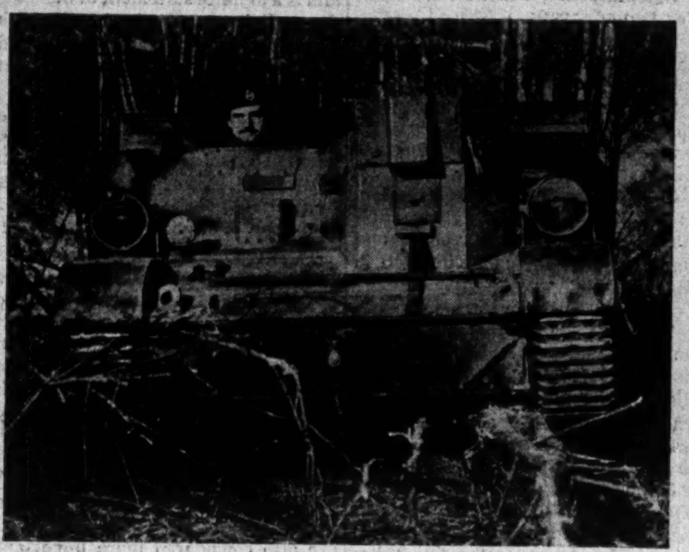
War Material Sales—Both Ways—Strengthen Both Countries



We Sell the U. S.

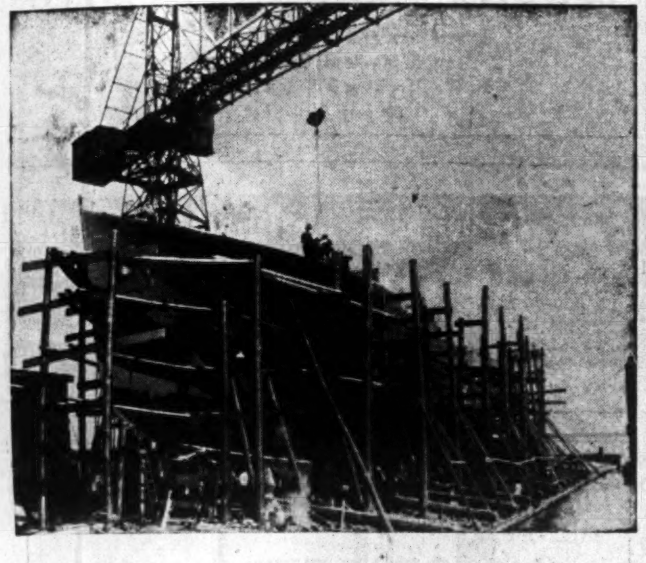
SHELLS

AIRPLANES — Hurricanes from Fort William are believed intended for China or Netherlands Indies.

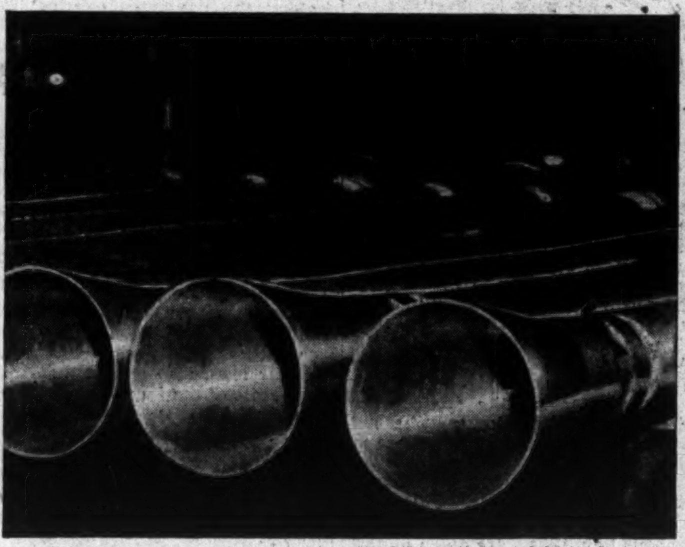


UNIVERSAL CARRIERS — product of the great Canadian automotive industry.

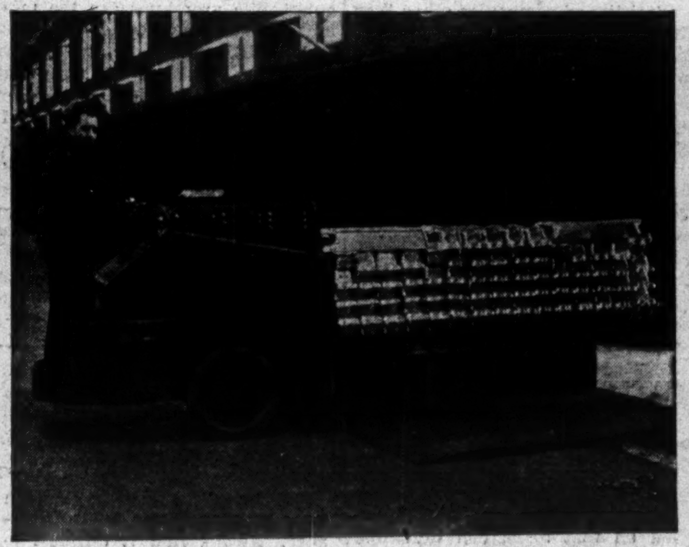
CHEMICALS — Canada had a head-start in creating a vast explosives industry.



SHIPS — Corvettes, mine sweepers and cargo ships; demand more than the supply.



ANTI-AIRCRAFT — and barrels and ammunition of more than one type.



METALS — aluminum, nickel, lead and zinc from Canada's giant mines and smelters.

NO
TRESPASSING

SECRET DEVICES — Obviously no picture of these products of a fast-growing Canadian industry.

War materials that we sell U. S.—and U. S. sells us

By **KENNETH R. WILSON**

OTTAWA.—It is just four months since Prime Minister King announced to the House of Commons the terms and purport of the Hyde Park Declaration.

This was the agreement which initiated "co-operation for economic defense" between Canada and the United States.

It opened the way for Canada to find a market in the United States for hundreds of millions of dollars worth of strategic materials, munitions, ships, etc.

It opened the way for lease-lend provisions to be applied on parts and materials which Canada had to purchase in the U. S. in order to produce essential war equipment for Great Britain.

The pact was hailed as "going a very long way toward the solution of Canada's acute exchange problem."

What has happened in these four months? How successful has the Declaration been, so far, in fulfilling early hopes?

Unofficially, it may be said with complete assurance that the plan in its main particular, namely opening a market in the U. S. for Canadian war materials and equipment, has been an overwhelming success. It has succeeded, in fact, far beyond reasonable hopes.

Even in the present fiscal year, and despite the inevitable lag between the placing of orders and actual deliveries, it is expected that the programme as laid down by Premier King last April, and as outlined in the agreement will be met. At that time it was "hoped that during the next 12 months Canada can supply the U. S. with between $200 and $300 millions worth of such defense articles" (munitions, strategic materials, aluminum, ships).

Increase Dollar Flow

The results achieved to date also assure Canada a steady and increasing opportunity to "earn" U. S. dollars in 1942 and 1943.

Briefly the results achieved to date may be summarized thus:

1. Canadian sales to the U. S. of munitions, ships, metals and other strategic materials are now very greatly in excess of $200-$300 millions.

2. Actual deliveries have commenced on several important items (notably gun barrels). In some cases deliveries extend through till 1943. Peak deliveries will probably be reached about the time Canada reaches its "all-out" munitions production effort namely in midsummer, 1942.

3. In the main, the broad lines of Canada-U. S. sales under the pact are now complete. Additional opportunities are being investigated and may produce important results for individual industries. In total, however, these items will not greatly affect the broad programme as it has now crystallized.

4. Chief items which Canada has contracted to supply the U. S. are: aluminum, cargo ships, corvettes and mine sweepers, anti-aircraft guns, shells and small arms ammunition, gun barrels, chemicals, nickel, lead, zinc, universal carriers, airplanes, certain secret devices.

5. In addition to sales for delivery direct to the U. S., a new and important outlet has developed via lease-lend to China and the Netherlands.

For example: the recent order for 400 Hurricane fighter planes, to be manufactured at the Canadian Car plant at Fort William, came to Canada from U. S. via the Hyde Park Declaration.

But it is generally understood that the planes are to be shipped to China or the Netherlands as part of the U. S. lease-lend assistance to those countries.

Ammunition, machine guns and anti-aircraft guns have also been ordered in Canada by the U. S. for the same purpose.

Pay 35 Per Cent Down

6. Payments for these goods is being made roughly as follows: 35% down and the balance when delivery is completed. There are variations.

For example: the $55 millions "loaned" to Aluminum Co. of Canada in connection with the U. S. order for aluminum is not a loan—it is substantial "down payment" made now to facilitate necessary plant expansion. The life of this particular contract extends through to 1943. The U. S. Government will have no equity in the plant. Probably the same holds true of the deal with International Nickel.

7. Despite its unquestioned magnitude and success, the plan has not solved our U. S. dollar exchange problem—at least not for 1941-42. At best the contracts completed or in prospect, plus lease-lend allowances, fall considerably short of the $467 millions estimated by Mr. Ilsley as required to balance our U. S. account books in the present fiscal year. There will probably be $100 or $150 to $200 millions to be found unless economies or arrangements can be made in other directions.

8. There have been at least two important disappointments.

(a) Canada has obtained as yet only a relatively small credit in respect of imports of component parts from the U. S. for British lease-lend accounts.

The Hyde Park Declaration itself states that:

"In so far as Canada's defense purchases in the U. S. consist of component parts to be used in equipment and munitions which Canada is producing for Great Britain, it was also agreed that Great Britain will obtain these parts under the Lease-lend Act and forward them to Canada for inclusion in the finished articles."

Later, Mr. Ilsley told the House of Commons that of the $428 millions of war purchases which Canada expects to have to make in the U. S. in the present fiscal year, "more than half . . . would be accounted for by components and materials required to be purchased in the U. S. to execute British war orders in Canada."

Putting these two statements together, it might be expected that in the present fiscal year Canada would arrange to pay for perhaps $250 millions of "component parts" under Lease-lend.

Actually not more than one-fifth or one quarter of this amount has been so arranged.

The reason for this is: purchasing component parts in the U. S. via British lease-lend involves too much red tape.

At a time when everything depends on speed, rapid deliveries, quick clearing of priorities, etc., the more effective way is to order direct and not bother with the more cumbersome, slower method of lease-lend.

(b) In one other respect there has been disappointment.

At the start of the agreement it was hoped that Canada might develop a considerable volume of orders for manufacture in this country of component parts—especially in the aircraft field.

Canada has several big available aircraft plants which though not suited to the construction of big bombers, might, it was thought, be quickly available to manufacture some specific part or section of the plane.

Virtually none of this business has developed.

And the reason: Strategic security. In short, the services object to having production of any strategic part or material carried on outside the country if it can be avoided.

In this important respect, the pact has not provided, as yet, a solution along the lines of greater co-ordination of production, as between the two countries.

Apart from items already mentioned which are going to China or the Far East, it is believed that at least some of the equipment which is being supplied will find its way ultimately to Great Britain.

U. S. guns, for example, are not of the same calibre as Canadian and British. Where Canada is selling guns she is also selling ammunition (and in very substantial quantities). These are probably being purchased by the U. S. for subsequent shipment to U. K., although there is no certainty about this.

In the case of ships (it is reported that the U. S. would take a lot more ships than have already been contracted for, if we could supply them) the vessels may be turned over to the U. K. direct or else used by the U. S. to release other vessels for U. K. Here, as in so many phases of Canada's war programme, a limiting factor seems to be the available supply of steel and machine tools—much of which must in turn come from the U. S.

Metals which are being supplied by Canada (aluminum, lead, nickel, zinc) will go, of course, directly into U. S. production.

What U. S. Sells Us

Industrial equipment and materials essential to Canada's war effort are pouring across the border from the United States at a sharply accelerating rate.

In the first six months of 1941, Canada's purchases in the U. S. rose 33% to a record total of $454 millions in spite of the drastic curtailment of non-essential goods.

In the entire year 1939, our total purchases from the U. S. market totalled only $497 millions.

Current indications suggest that the huge total of Canadian commitments in the U. S. for the fiscal year 1941-42, which was estimated by Hon. J. L. Ilsley at $953 millions, may be exceeded. Mr. Ilsley in his budget speech last April estimated that of the $953 millions, $428 millions would be for war purchases.

Since January of this year a complete cloak of secrecy has fallen about Canada's trade statistics.

Startling Increases

Analysis of the few figures which are published to show commodity trade items with all countries gives the only clue as to what is actually being imported from the United States. In addition, U. S. official figures (which are must more informative) are permitted to be published in this country once they appear from Washington.

Some of the startling increases in Canada's import trade, covering items likely to include essential war equipment and supplies are as follows:

(In Millions of Dollars)

	Six Months		
	1941	1940	Incr.
Iron & products ...	210.7	129.0	+62%
Machinery	68.0	30.1	+78%
Vehicles	40.8	28.3	+44%
Metals	46.2	27.2	+70%
Electric app.	13.8	9.8	+40%
Petroleum prod.	27.4	27.1	unch.
Chemicals	29.8	24.7	+20%
Miscellaneous	100.4	40.0	+150%

It is obvious that these increases are not coming from the United Kingdom. Imports from Britain in the first six months of 1941 are down $2.5 millions to $63.5 millions. In fact, comparison of these items with corresponding totals when actual figures for commodity Canada's purchases from the U. S. were available, suggests that probably 90% of these imports are coming from the U. S.

In some categories the proportion is even higher.

Just what is included under "miscellaneous" is anyone's guess. The Dominion Bureau of Statistics itemizes under this broad heading two or three items: amusement and sporting goods, personal equipment, refrigerators, etc.—all of which show as a rule, declines. This in face of a 150% jump in the total. Two items listed: scientific equipment and "vehicles, n.o.p. (except iron)" show gains but the latter item, which used to be largely "aircraft and parts" in the days when figures were available, gives a total for the six months of only $10.4 millions compared with $6.6 millions in the same period last year. According to U. S. statistics, exports of aircraft and parts in Canada in 1940 (full year) totalled $34 millions. The real truth is probably that the item "miscellaneous" is now a general item for war weapons and material brought in from U. S. and U. K. and not shown elsewhere.

Real significance of these sober trade figures is that the U. S.-Canada war gears are beginning to mesh; that North American democracies are beginning to pool their resources, thereby making most use of things vitally needed for war.

Canada's Biggest Wartime Job

R. C. Berkinshaw Outlines the New Plan for Industrial Organization

By **R. C. BERKINSHAW**
Chairman, Wartime Industries Control Board

Far-reaching controls which may drastically transform the pattern of Canadian business and private life are implicit in the new Ottawa order establishing a new and all-pervasive control in the field of materials and prices, developments reported in a Financial Post scoop last week.

R. C. Berkinshaw has been named czar of Canadian industry under that order. His title is chairman of the Wartime Industries Control Board. Speaking at a directors luncheon of the Canadian National Exhibition, Mr. Berkinshaw gave a very full statement of his new task, the powers entrusted to him, how he intends to use them and why.

Herewith The Financial Post reprints by special permission a condensation of Mr. Berkinshaw's address because of its importance to every phase of Canadian business.

Mr. Berkinshaw, formerly general manager of the Goodyear Tire and Rubber Co. of Canada Ltd., has been up to the time of his new appointment Director of Priorities. His C.N.E. address was arranged by the Canadian Manufacturers' Association as the feature of Manufacturers' Day.

One thing I have gained as a result of my official duties at Ottawa during the past few months—a truer realization of the stupendous effort that is necessary if Canada is to bear her full share of responsibility for the provision of essential war material.

Before I took over the priority office, I imagined that I possessed a full comprehension of the need for increased production, both of raw material and finished products, to meet the demand for war supplies from Canada. But I am convinced that the immensity of the productional task before us, as I see it now, calls for a revaluation of our national capacity as well as for a reassessment of our national obligation in this fight for the freedom of the world.

This war will only be won if our supply of the materials of modern warfare outstrips and outlasts the supplies of the enemy. This obligation involves an effort and an endeavor —national and personal—greater in intensity and longer in endurance than as yet we have envisioned and which, I believe, will entail sacrifices and self-denials beyond our present thinking.

Let us not be tempted to underestimate in the slightest degree the urgency, the immediacy and, above all, the magnitude of the task to which, as a nation, we are dedicated.

It took a year or more of active participation in war for this country to attain any proper appraisal of the size of the job it was called upon to undertake. There are some who think that this apparent delay in sizing up a changing situation was due to inefficient planning in the early stages of the Canadian war effort. Every man has a right to his opinion, but I am inclined to think that criticism of this character is, perhaps, based upon a certain lack of appreciation of the mutability of events and of the unexpected speed with which the enemy seized control of resources in other lands than his own.

I do not desire, by inference or otherwise, to convey to you the thought that I believe we have reached any stage of perfection or completion in the organization of our war effort. We are still far from that ideal objective, but gradually the manifold ramifications of that intense endeavor are being brought into alignment. This process of greater co-ordination must, of necessity, be continuous.

Defense developments in United States may seriously affect our essential supplies from that country, particularly in steel and oil. We are also faced with the necessity of expanding our own productional capacity, and these two conditions must lead, without doubt, to a more rigid control of commodities necessary to the war effort. It is altogether likely that it may become necessary to institute a rigid system

(Continued on page 11)

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Insurance

Uniform Reports Urged

Provincial Data More Valuable if on Comparable Basis

A strong effort will be made at the annual convention of the provincial Superintendents of Insurance to arrive at a uniform basis for publishing provincial statistics of insurance companies.

At present statistics of the total business of Canadian companies and business in Canada of British and foreign companies are published by the Dominion Department of Insurance. These are broken down by provinces as regards total business, but not according to all the various classes. Some of the provinces publish statistics of the provincial operations of the companies, in fairly complete form, but not all.

This situation has given rise to discussion on two points:

1 Should provincial statistics be published?

2 If they should, can a uniform system of reporting be worked out so the statistics of any company issued by one province are comparable with those issued by another?

Have Real Value

In a report, to be submitted to the convention, it is claimed the provincial statistics have real value because no other place can the complete provincial operations of a company be found. Such a breakdown of statistics makes possible territorial comparisons between companies and also between provinces. This, the report says, as opposed to "total business" comparisons is an obvious advantage.

The general opinion among companies, it is stated, also is that if it is worth troubling the companies to prepare and file the information, it certainly must be worth publishing.

Accordingly, a minimum basis for reporting provincial statistics of both life and other insurance companies is suggested in the hope of attaining a fair degree of uniformity.

Divisions of Life Insurance

Because of their many classifications and divisions, it is claimed, life insurance figures are more likely to be published in varying style than those of other branches of insurance.

Already four provinces are publishing statistics in a uniform style. These provinces are Manitoba, New Brunswick, Ontario and Quebec. The committee of the Association which prepared the report is anxious that their basis be taken as a minimum requirement and that provinces now publishing inadequate statistics expand their reports accordingly, or else publish none at all.

Under the proposed system, the published statistics would show for the life companies, under different headings, the following information:

Premium income: (a) total assurance premiums, (b) total annuity premiums, (c) total sinking fund payments.

Disbursements will be shown under two subheads,

1 Those under assurance contracts (a) on death and maturity (b) cash surrenders etc.

2 Those under annuity contracts: (a) to annuitants and death benefits under annuity contracts, (b) other disbursements.

Exhibit of policies: (a) in force Jan. 1; (b) new issued, (c) other additions, (d) ceased by surrender and lapse, (e) all other deductions, (f) in force Dec. 31.

Minimum Data

With these headings it is suggested an individual province might break down its statistics further without disturbing the basic uniformity. For example, total life assurance premiums could be broken down into ordinary, industrial and group.

Some companies have argued there should be no distinction between assurance and annuity premiums, or disbursements under the two types of contract. The committee does not favor this view.

Fire and Casualty

Statistics of companies other than life insurance—that is fire and casualty companies—already show a good deal of uniformity, the report states, but some minor changes are necessary to have all provincial figures comparable.

For instance, it is suggested that figures of the experience of any one company should be net, that is after deducting reinsurance. As, however, each province will want to show the total business in any one class transacted in its territory, reinsurance deducted from the business of one company should be included in the business of another operating and reporting in the province. For this reason only reinsurance ceded to a company licensed in the province is deducted in arriving at net premiums or net losses by provinces in the suggested uniform statement.

Earned or Written Premiums

Considerable argument has also centred on whether net premiums earned or net premiums written should be published. The committee feels the written figure is the more accurate as showing the actual premiums charged in a given period and is a definite statement of business done. It is also the basis on which taxes are paid to the provinces and is generally used in the Dominion statistics.

When figuring losses however use of written premiums gives a certain distortion which does not show an accurate picture of the ratio of losses in a certain year to the premiums for that year.

Take for instance, a fire insurance policy written for three years where the premium is say $30. While the $30 is paid in one year, only a part of it is actually earned as a premium for that year. Hence if a fire loss occurs, it would not be fair to work out the loss ratio on the $30 but only on the part allotted to the one year. Therefore, where a loss ratio is important, it is considered both written premium and earned premium should be given. Losses incurred are also considered more important than losses paid in all branches of insurance except life.

"Since in each province fire and automobile premiums are the most important in amount, it is suggested that statistics for those two classes might be published in somewhat more detail than for other classes of insurance," the report states. It therefore suggests the minimum information to be given in the provincial statistics as follows:

Fire and Automobile insurance—net premiums written, net premiums earned, net losses incurred.

Other classes of insurance, net premiums written, net losses incurred.

Wider Marine Legislation Is Insurance Need

In spite of Canada's leading place among the trading nations of the world, in normal times shipping goods to and from all quarters of the globe, she has no general marine insurance law.

Reason appears to be that legislation of this kind would have as its object the regulation of insurance contracts, which in recent years has been regarded as coming exclusively under provincial jurisdiction. Accordingly, although marine insurance, having to do with international trade, would appear to be a matter of Dominion concern, the Dominion has shown no active interest in the matter.

There has however been a move in recent years to establish uniform marine insurance legislation among the provinces, so that the present uncertainty surrounding marine contracts would be cleared up.

British Columbia Leads

British Columbia led the way in 1925 by passing a marine insurance act based largely on the British act of 1906.

In recent years there has been considerable agitation for other provinces to do the same. At their 1940 executive meeting the provincial superintendents of insurance passed a resolution recommending the enactment by other provinces of marine insurance legislation modelled on that of British Columbia as amended in 1936.

Last April Nova Scotia fell in line with legislation which differed from that of British Columbia only in the definition of a contract of marine insurance. The British Columbia act provides that a contract of marine insurance indemnifies against losses incident to marine adventure. The Nova Scotia act contains a comprehensive statement of the risks covered.

Resort to Common Law

In most other provinces, if a dispute arises, regarding marine insurance, reference has to be made to the common law or the existing laws of contract. In Quebec, the Civil Code contains considerable reference to marine affairs and it offers substantial guidance.

Marine interests are anxious to see other provinces follow the example of British Columbia and Nova Scotia and pass similar definite legislation to clarify the whole situation. It is believed further discussions will take place at the convention.

The question of government deposits by the marine companies will also be discussed.

Insurance Notes

The Mutual Benefit Health & Accident Association announces that it now has on deposit with the Receiver-General of Canada, $610,000 par value in acceptable securities for the sole protection of policyholders in Canada.

* * *

In a slogan contest sponsored by the Life Underwriters' Association of Canada, that submitted by G. I. Powell of the Northern Life Assurance Co. of Canada was chosen as best. Mr. Powell's slogan was "A Day Off That Will Pay Off." Mr. Powell was awarded $15 in war savings certificates as a prize.

His slogan will be used in connection with the Association's Ontario convention to be held in Toronto October 18.

New Licenses

The Dominion Department of Insurance has licensed the following companies to write the lines of insurance indicated, in addition to the classes for which already registered.

United Mutual Fire Insurance Co.—Personal property insurance.

Victory Insurance Co.—Fire, civil commotion, earthquake, limited or inherent explosion, falling aircraft, hail, sprinkler leakage, impact by vehicles, and windstorm insurance on property already insured under a fire insurance policy of the company. V. R. Willemson, Toronto, has been appointed chief agent for Canada.

Weekly Bank Clearings

	Aug. 28 1941 $	Change Year Ago %	Aug. 21 1941 $
Halifax	3,185,594	+23.3	4,236,278
Saint John	2,016,274	+24.6	2,204,526
Moncton	1,067,717	+33.0	1,081,533
Sherbrooke	801,934	—3.6	1,082,464
Quebec	4,813,264	+10.9	5,513,886
Montreal	102,134,098	+31.5	120,731,732
Ottawa	35,704,734	+26.4	34,236,318
Peterborough	685,125	+34.5	821,896
Toronto	109,945,775	+31.8	132,250,462
Hamilton	6,186,107	+20.8	7,031,347
Brantford	932,883	+33.0	1,111,157
London	2,505,492	+22.6	2,808,998
Windsor	3,771,201	+42.9	3,552,890
Sarnia	410,680	+25.5	545,929
Sudbury	1,223,777	+11.9	929,040
St. Catharines	....	.....	1,348,904
Kingston	680,674	+16.2	751,817
Chatham	601,232	+23.6	613,502
Fort William	1,087,794	+35.6	1,133,831
Winnipeg	54,118,240	+82.3	46,713,552
Brandon	378,676	+34.0	455,726
Moose Jaw	518,528	+8.4	695,213
Saskatoon	1,329,654	+15.6	1,390,816
Prince Albert	363,608	+18.3	417,576
Elmonton	5,021,136	+36.2	5,498,434
Calgary	7,105,459	+38.7	6,423,534
Lethbridge	633,334	+71.7	621,376
Medicine Hat	355,766	+68.2	390,370
N. W'minster	958,413	+33.3	891,702
Vancouver	29,718,381	+68.7	21,573,066
Victoria	1,666,453	+5.9	995,463

Monthly Bank Clearings

	August 1940 $	August 1941 $
Halifax	13,193,845	15,785,489
Saint John	8,101,331	9,159,134
Moncton	3,730,794	4,456,831
Quebec	22,520,480	22,793,529
Sherbrooke	3,669,963	3,984,962
Montreal	401,568,667	501,972,143
Ottawa	128,184,633	181,402,715
Brantford	3,517,051	4,268,293
Kingston	2,726,553	3,134,225
Peterborough	2,611,639	3,307,843
Toronto	434,276,406	467,739,058
St. Catharines	....	5,582,570
Kitchener	4,420,421	5,189,168
Chatham	2,121,053	2,591,739
Sarnia	1,629,296	2,097,678
Sudbury	4,461,860	4,626,522
Fort William	3,816,023	4,755,741
Winnipeg	128,999,709	218,754,279
Brandon	1,457,331	1,837,671
Regina	16,100,999	19,700,177
Moose Jaw	2,322,380	2,614,873
Saskatoon	5,956,790	6,479,823
Prince Albert	1,496,216	1,833,950
Edmonton	17,435,991	22,230,710
Calgary	22,613,637	28,562,887
Lethbridge	1,769,152	2,660,363
New Westminster	3,101,643	4,078,356
Vancouver	78,801,416	86,657,605
Victoria	7,899,275	8,706,010

Insurance Problems

Keeping Policies in Force

For some years I have been carrying about $20,000 life insurance. Now I find it difficult to pay the premiums. My income is the same as it was two years ago. But income taxes are so much higher that after paying them and my ordinary living expenses which also are higher, my surplus is not large enough to keep my insurance in force. Do you think I should surrender some of it or should I replace my present policies with term insurance? I am a married man with two children.

Without knowing more about your circumstances and your needs it is difficult to answer your question You undoubtedly have taken your insurance out largely as protection for your family. This being the case, you will want to keep as much of it as possible. But you also want to have some cash reserve to fall back on such as the cash value of your policy gives. Several alternatives present themselves.

Term insurance would probably give same amount of insurance at cheaper rate for the next five or 10 years but it would provide no cash reserve to be used in an emergency. The rate would also be higher if you renewed it five or 10 years from now.

You could pay part of your present premiums out of the cash value of your policies. This would keep them in force, possibly, until you have more money so you could resume payment of the premiums in full. But it would weaken the financial position of the policies and your own cash reserve.

Then you could take paid-up insurance for some of your oldest policies. This paid-up insurance, if the policies have been in force some years, would no doubt be substantial. It would give you a certain amount of insurance for your family's protection without requiring you to pay any further premiums. The money you have available for insurance would then possibly be enough to keep the balance of your insurance in good shape.

You know best which of these suggestions fits your own need.

If possible you should avoid completely surrendering any large part of your insurance. From the national standpoint, the best contribution you can make is to keep your insurance in force and find other sacrifices to make.

Banking

Little Change Expected In Loans on Wheat

Effect of Smaller Crop on Borrowing From Banks Offset by Unsold Grain Still in Elevators Loans to Investors in War Bonds Being Repaid

While an official estimate of western Canada's 1941 wheat crop is still lacking at time of writing, it is evident the yield is substantially lower than a year ago.

Preliminary unofficial calculations place it all the way from 250 to 300 million bushels. Even if it approximates the latter figure, it will still be 230 million bushels lower than a year ago.

What will be the effect on the loans of the chartered banks?

Normally the movement of the western crop causes a big demand for bank credit. Farmers who want to hold their wheat for a higher price but want some ready cash can borrow against their grain, especially once it has been delivered to the elevator.

Elevator and grain companies also finance their operations largely by borrowing from the banks. As a result current loans usually show a substantial rise in October, around the time the crop movement reaches its peak.

The extent of the rise depends ordinarily on the size of the crop, most of which is normally delivered to the elevators in the fall months. While some money is lent on the wheat farmers hold in their own granaries, the bulk of the loans are on wheat delivered into storage. This year, with a large proportion of the available space still filled with grain from 1940, it is estimated the elevators can accept only about 220 million bushels of the 1941 harvest.

In any case it appears likely that between old and new crop wheat all elevator space will be well filled until Canadian stocks are substantially reduced by domestic consumption or export overseas. As most of this wheat is financed on bank credit, wheat loans, it is estimated, will remain about the same level for the next few months at any rate.

Loans to Business

The extent of borrowing by other branches of business is still uncertain. Under ordinary conditions the approach of fall brings more active business. Merchants and manufacturers lay in larger stocks of merchandise and raw materials and finance them by borrowing from the bank. Since the war turned many industries into the production of munitions, however, borrowing by the manufacturers engaged in war work has been smaller than expected. Reason is the government has been financing their operations, supplying money in many cases if necessary.

Merchants' borrowing, however, is affected by the consumer demand.

Whether the smaller wheat crop will reduce the demand for goods in western Canada is a question that is causing some speculation. Opinion is mixed.

Although the 1941 crop is a small one, farmers still have to receive part of their money for last year's grain. Then they have been deriving a steady income from livestock, especially hogs, of which production has increased enormously. These two factors: the payments overhanging from 1940 and the income from cattle and hogs as well as poultry and dairying, will, to some extent at least, offset the effect of the smaller 1941 harvest. Thus the demand for consumer goods may be affected less than might be expected.

Investors Repay Loans

One factor tending to reduce current loans recently, however, is the repayments being made of money borrowed by investors at the time the war loan was floated. Repayments by the larger investors, such as the insurance companies, it is understood, have been substantial. Current loans in June, the month of the war loan, rose almost $160 millions, most of the increase being due it is said to people and institutions borrowing to buy bonds. These loans will probably be wiped out over the next few months. Total current loans in Canada, according to preliminary figures fell $13.6 millions in July.

The sharp drop in savings deposits in June owing to the war loan will mean a decline in interest charges which will be substantial even though bank deposits will likely show some recovery in succeeding months. This saving should help earnings substantially.

Savings deposits in July recovered about $20 millions of the $226 millions believed invested in the war loan in June, preliminary bank figures show.

Sterling Reserves Again Increase

Bank of Canada Holdings Again Advance — Note Circulation Up

A further rise of $9 millions in reserves of sterling and United States exchange is shown in the statement of the Bank of Canada for the week ended Aug. 27. This follows an increase of $4 millions in this item in the previous week. It would indicate further sales of sterling by the Foreign Exchange Control Board to the Bank of Canada, in exchange for Canadian dollars.

Investments of the bank were about $6 millions lower. The net change in assets was an increase of about $3 millions.

On the liability side, note circulation rose $3 millions and deposits were up about $1.5 millions. Miscellaneous liabilities were down almost $2 millions.

	Aug. 27 1941 $	Aug. 20 1941 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	418,656,794	415,638,765
Rest fund	3,722,910	3,722,910
Depos.: Dominion	38,796,897	27,489,318
Banks	202,709,965	211,949,646
Other	3,396,008	3,964,251
Total deposits	244,902,870	243,403,215
All other liabs.	6,368,709	8,150,071
Total liabs.	678,651,283	675,914,961
Assets		
In sterling & U. S.	13,638,666	4,894,809
Subsid. coin	579,679	641,417
Advances	2,000,000	2,000,000
Investments:		
Dom. govt. short	511,105,306	515,169,911
Other Dom. govt.	139,028,338	140,918,951
Total invest.	650,133,644	656,088,862
Premises	1,815,169	1,815,047
All other assets	10,484,125	10,474,826
	678,651,283	675,914,961

Staff Changes

The Canadian Bank of Commerce announces the following staff change:

W. KNOWLES, accountant at Belleville, Ont., to be manager at Durham, Ont.

The Royal Bank of Canada announces the following staff changes:

- D. E. R. EWER to be manager at Brandon, Man.
- J. M. GRAHAM, manager, Rodney, Ont., to be manager, Bloor & Bathurst, Toronto.
- G. S. ROBINSON, manager, Bracebridge, Ont., to be manager, Rodney, Ont.
- W. N. SPEARIN, manager, Drayton, Ont., to be manager, Bracebridge, Ont.
- H. RIDGLEY, accountant, Niagara Falls Centre, Ont., to be accountant, Keele & St. Clair, Toronto.

The Bank of Nova Scotia announces the following staff changes:

- C. L. BOWLBY to be manager, Charlotte St., Saint John, N.B.
- J. G. H. SUTHERLAND to be manager, Park & Fairmont, Montreal.
- A. R. PHILLIPS, to be accountant, San Juan, Porto Rico.
- A. C. DUNN to be accountant, North Hill, Calgary.
- R. B. HALL to be accountant, Guelph, Ont.
- W. A. CLARK to be manager, Saint John, N.B.
- A. JOHNSTON to be accountant, Windsor, Ont.
- R. A. THOMPSON to be accountant, Renfrew, Ont.

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The ROYAL BANK of Canada

Canada's Biggest War Job

R. C. Berkinshaw Outlines His New Task

(Continued from page 9)

of rationing, both in respect to industrial materials and to consumer goods.

The vital task before us is to ensure a continuity of material supply in ever-expanding measure to our wartime industries of Canada, in order that the flow of aircraft, tanks, guns, munitions and so on from this country to Britain and her allies may be expansive and uninterrupted.

Board is Reconstituted

As one means toward the achievement of that objective, the government has decided upon a reconstitution of the Wartime Industries Control Board and has honored me with appointment as its chairman. That Board has, as its members, the controllers of timber, of steel, of petroleum and lubricating oils, of metals, of machine tools, of power, of ship repairs, of motor vehicles, of chemicals and of construction, all of whom have exercised their powers of control in their respective fields. To these has recently been added a controller of transit, who will exercise authority over movements in personnel, and a controller of supplies, who will deal with commodity groups other than those I have mentioned and which the Minister of Munitions and Supply may designate from time to time as war supplies. In this way, for instance, rubber and silk were very recently brought under control.

In order to achieve more effective coordination of action, any rule or order made by a controller will be subject to review by and to the approval of the chairman of the board. The minister will also appoint other persons as members of the board, who are not necessarily occupied with the control of specific commodities but who, in his judgment, possess qualifications or experience of special value in furthering the more efficient discharge of the administrative functions of the board, because—for example—such matters as the conservation of vital raw materials and the substitution of other materials of which a greater supply is available, must be considered and developed.

Co-ordinate Whole Effort

By these means it is hoped that the supply of all basic commodities may be husbanded and expanded and that the work of the Priority Office may be co-ordinated with the controls to an exent that will ensure adequate and undelayed supplies of raw materials to our vital industries.

The Wartime Industries Control Board, which operates under the authority of the Minister of Munitions and Supply, is not to be confused with the Wartime Prices and Trade Board under the chairmanship of Mr. Hector McKinnon. This latter board comprises the administrators of wool, sugar, hides and leather, coal, vegetable and animal oils and rentals, exercising a general authority over the consumer commodities which affect the cost of living.

Under the new arrangement, this Board will have complete authority in respect of price control, with very few exceptions, and in order to facilitate co-operative action between the two boards, it has been provided that the chairman of the Wartime Industries Control Board shall be, ex-officio, a member of the Wartime Prices and Trade Board together with whichever supply controller may be directly concerned in the board's decisions. On the other hand, the chairman of the Wartime Prices and Trade Board is, ex-officio, a member of the Wartime Industries Control Board.

To presume to speak in detail of the work I hope to do as chairman of the Wartime Industries Control Board would be patently imprudent, in view of the fact that I have only just assumed that position. There are, however, certain principles which can be enunciated and which form a general plan of wartime policy, so far as problems of supply are concerned.

In the first place, we must not disturb our national economy more than is necessary, either in building up our channels of supply, or in calling upon Canadian industry to bear in greater measure the burden of our war effort.

In a sense, we are between Scylla and Charybdis— on the one hand we have to subordinate every endeavor to the task of winning the war and, on the other hand, we have to plan for the reconstruction of our whole industrial organization when the war is ended and the need for intensive fabrication of war material is no longer a matter of national urgency.

To chart a perfect course between two such contrasting objectives would demand an intellect greater than mine, but with your continued support and sympathetic assistance I shall endeavor, as best I know how, to help in the achievement of the one, without prejudicing the future interest of the other.

Curtail Consumer Goods

In the next place, it will become necessary to effect further curtailment in consumer goods production and this will necessarily involve sacrifices on the part of all. Unessential domestic and personal expenditures will certainly have to be curtailed and rigid economy established in the consumption of certain lines of commodities designed for household, family or individual use. That, I think, will be the inevitable accompaniment to the further development of war material production.

I think I am justified, too, in adding my appeal to those that have been made by others for the rigid elimination of all waste in industry and in home. Unchecked and uncontrolled waste is an asset to the enemy and the more we endeavor to eliminate the wantonness of waste, the more we are contributing to the defeat of that enemy. Rationing of consumer commodities is not a pleasant thing to institute nor a pleasant thing to endure and the extent to which rationing may become necessary in future will be largely conditioned by the effort we make now to keep waste down to an irreducible minimum.

If the war is prolonged, it will become increasingly important to divert material that might be used in the fabrication of consumer goods to war production purposes, even as it may become necessary to prohibit the manufacture of certain domestic commodity lines altogether.

To what extent this may become imperative I cannot say, nor indeed, can any man foretell, but I do know that the more we exercise a rigid self-control in the purchase and use of non-essential goods, the farther the day will be away when the limitation or prohibition of production will become necessary.

Another problem that is inherent in the matter of raw material supply lies in the factor of rising prices. This is even more important in the field of war industrial production, than it is in the field of consumer goods production, since it affects the ultimate cost of the fabricated products, be they aircraft or tanks or guns or munitions or foodstuffs.

Ceiling on Wages?

I have no intention of discussing the economics of wartime prices. It is, however, my personal feeling that if it be necessary, in pursuance of the war effort, to put a ceiling on material and commodity prices, it surely follows that a ceiling is equally necessary on the greatest factor in production values—labor costs—having regard, of course, to the legitimate demand of labor for standard rates of wages.

I believe that the government, in establishing a cost of living bonus under an order-in-council known as P.C. 7440, had in mind the maintenance of wage rates at present levels. In other words, it is hoped that by controlling the cost of living through the medium of commodity control that it will be possible to control the amount of cost of living bonus. Whether this can be accomplished by these means remains to be seen, but it may be that manufacturers themselves are doing a great deal to raise wage levels, through increases in basic wages that are quite separate from the cost of living bonus.

On the whole, I am inclined to believe that manufacturers, generally speaking, are favorably disposed to P.C. 7440, but it may be that their action in increasing basic wages, as distinct from cost of living bonuses, has not been without its adverse effect upon price stabilization.

If manufacturers could be convinced that such a practice was detrimental to the interest of the country and if it were abandoned, I think the government would feel that it had the wage situation reasonably in hand.

I make this reference to the question of price and cost control since it must enter into the consideration which will affect or govern my actions as chairman of the Wartime Industries Control Board and to that extent I have a very real interest in the trend of price movements and the matter of their control.

No Longer "As Usual"

When I had the honor of speaking at the Directors' Luncheon (C. N. E.) last year, I made a plea for the continuance of "business as usual." I might have been justified at that time in making that plea but, gentlemen, I have changed my mind. I have come to the conclusion that no longer can we carry on "business as usual."

The very conditions under which we live and work today have changed the whole structure of our economic existence. With the enemy at our gates, it is necessary for us to realize that our first business is to drive him back to the lair from which he came, and to defeat him finally and utterly.

To that end alone must our industrial effort be directed and, if in so directing it, we disturb the channels of peacetime business effort, it cannot be helped. The achievement of victory in this war is the only thing that matters now. It is the only thing that will ensure the possibility of "business as usual" after the war is won. The temporary disorganization of business channels and relationships is as nothing compared with the work whereunto we are committed.

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Alberta Bonds

Do you think it would now be advisable to cash coupons on Alberta bonds? We have held the bonds since before the default.

At the present time, in view of the early commencement of negotiations regarding a settlement of Alberta's debts, it would seem that those who have withheld cashing of coupons in the past are nearer than ever to a test of the wisdom of this policy. It is not certain that any special benefits will come to those holders.

That will depend entirely on the final form of the settlement if a settlement takes place. But there is the possibility that they will be in a preferred position, and it would certainly appear inadvisable to sacrifice any benefits that may accrue by cashing now, especially when there is a reasonable prospect of an early decision. Unless there is an immediate and urgent demand for the funds so obtainable, the most authoritative opinions available continue to support the policy of holding the coupons uncashed.

International Petroleum

In view of the fact that International Petroleum did not earn its present dividend rate, should it be regarded as an exceptionally risky investment?

You are not quite correct in stating that International Petroleum did not earn its present rate of dividend in 1940. The company earned 94 cents per share in U. S. funds against a current dividend rate of $1 in Canadian funds. The premium on the earnings in U. S. funds brings the net earnings per share into Canadian funds to slightly over $1.03.

Dividends are thus no longer being paid out of surplus and the prospect for a further dividend reduction has been correspondingly reduced. Although no current production figures are available, the shift in British supplies of oil from the Middle East to Western Hemisphere sources is reported to have brought a considerable increase in shipments of petroleum from the Latin American countries. As this has largely been a development of the current year, International Petroleum may quite probably show a better earnings picture in 1941 than it did in 1940.

The physical development of the company's properties in Colombia and in Venezuela is reported to be continuing favorably, while the last annual report stated that promising results had been found in Peru, which area had previously shown a tendency to lower production.

From all current indications the company's resources of crude oil appear to be holding at a satisfactory level. Although the war in Europe has forced a reorientation of International Petroleum trade, the developments appear more to have had a temporarily adverse influence on earnings than to have resulted in any deterioration of the long run outlook.

Provincial Finance

Would you please comment on the position of provincial bonds and the results of the Dominion's new policies?

The outlook for provincial bonds is currently largely beyond the control of the provinces themselves. Favorable factors from the investor's point of view are the increasing government expenditures which by one route or another have added to the revenues of the provinces. On the other hand, as you will find outlined on page 2 of the August 30 issue of The Financial Post, about 20% of the total provincial revenues come from gasoline taxes, while almost 33-1/3% come from gasoline taxes together with licenses, fines, etc. Thus while the Dominion Government has strengthened provincial finances with one hand, the other is threatening through gasoline restrictions to remove this benefit.

The solution to the problem lies in the relation between the provinces and the Dominion. The offer made in the Budget Speech would allow the provinces to receive either (a) the amount of their 1940 income in corporation tax collections, or (b), an amount to cover their debt charges after deducting succession duties. In addition various grants would be made to the provinces on the basis of need.

The question of the soundness of provincial obligations is thus almost entirely a question of the final form of the relations between the Dominion and the provinces for the duration of the war. The proposal submitted in the last budget has been accepted in principal at least, by all provinces with the exception of Alberta, Ontario and Quebec.

No further announcement has been made as to whether the other three provinces will accept, or the detailed terms of the agreement with the provinces which have accepted. But it is clear from the original terms of the proposal that allowance has been made to maintain the normal working expenditures of the provinces together with debt service.

Processing Tax

In a recent issue you mentioned a tie-in between the processing tax and the milling industry. I thought only bakers were affected.

In connection with your enquiry regarding our Winnipeg story on the processing tax on flour, we would point out that although the millers themselves were not the object of the tax, the tax was so heavy as to enforce some price concessions on the part of millers to bakers and other users.

In other words, although the invoice to the baker would make it appear that he was paying the full tax, actually the list price of the flour purchased was somewhat lower than would have been charged by the milling companies under other circumstances.

The removal of the tax did not of itself put money in the milling companies' pockets, but would presumably permit the milling companies to raise the price of flour, although we are informed that this has not taken place as yet.

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E. R. Wood's Estate Pays Double Succession Duties

Estate of the late E. R. Wood is believed to be the first one of its size in Canada to pay both Dominion and provincial succession duties. The Dominion succession duties are effective because Mr. Wood died just two days after the Dominion act came into force. Probate was applied for this week.

The value of the estate was estimated in the application for probate at approximately $6.6 millions.

It was made up approximately of: Stocks and securities, $5.6 millions; real estate and household and personal effects, $212,330; mortgages, $18,567; life insurance, $333,823; cash on hand and in banks, $276,746; reversionary interests and trusts, $791,683.

Preliminary estimates place the amount of combined Dominion and provincial succession duties at $4 million.

Municipal Finances

Windsor, Ont.—R. J. Moore has been appointed financial adviser and budget director for the City of Windsor. Formerly the supervisor of the city's affairs while it was under the supervision of the Department of Municipal Affairs, Mr. Moore will act in an advisory capacity with the object of aiding the city plan its financial future to avoid a recurrence of default.

* * *

London, Ont.—Total increase in the assessment of London is expected to amount to $775,000 largely as a result of the increased building in the past year. Total gain in building assessment alone is placed at $604,000. The increase will bring the total city assessment to $84.8 millions as compared with $84 millions last year. The rise of assessment is subject to final change, and will be the basis for 1942 taxation.

* * *

Sault Ste. Marie, Ont.—In the four years from 1933 to 1937 the rateable assessment in the city of Sault Ste. Marie decreased by $1.3 million while in the four years since that time it has increased by $983,000. Tax rates are now lower than they were in 1933 at the higher assessment rate but the net collections to the city are substantially better as a result of improved business conditions. Since 1933 the city's population has increased from 23,504 to 25,406. It is believed the current estimates may not reflect the total increase from the continuing expansion of the city's business and industrial activity.

Economic Investment Pays 62½c. a Share

Economic Investment Trust Ltd. has declared a dividend of 62½ cents a share on its common stock, payable Oct. 1, 1941, to shareholders of record Sept. 22. For the last four years the company has been paying this amount for its October dividend and varying amounts for the April payment. Last year total payments were $2 a share.

Can. Northern Gross Higher

Net for July Up Before Taxes — Dividend Reduced

From Our Own Correspondent

MONTREAL. — Canada Northern Power Co. reports gross earnings of $418,282 in July, an increase of $18,048 over July, 1940.

The gain in gross, however, was largely offset by increase in operating expenses of $11,799 to $182,485. Net earnings, before income and "excess" profits tax provision, amounted to $235,797, an increase of $6,249.

In the seven months to the end of July gross earnings totalled $2.9 millions, a decrease of $14,674 from the corresponding period last year. Operating expenses decreased by $8,233 to $1.3 million, leaving net earnings before income and "excess" profits taxes of $1.6 million. This is a decline of $6,441.

Power Output Higher

Power output in July amounted to 61.9 million kw.h., compared with 59.5 million kw.h. in the same month last year. Output in the seven months totalled 433.2 million kw.h., against 438.9 million kw.h. for the corresponding period of 1940.

At the end of July the company was serving 25,625 customers, compared with 25,187 at the same time last year.

Reduces Dividend

The company has declared a dividend of 15 cents on the common stock for the third quarter of the year, payable Oct. 25 to shareholders of record Sept. 30. This compares with payments of 25 cents a share for the preceding three quarters and 23 cents one year ago. The company paid quarterly dividends of 30 cents from April 15, 1935, to July 25, 1940.

Operating Statement

July:	1941 $	1940 $
Gross earnings	418,282	400,234
Less: Oper. exps.	182,485	170,686
Net earnings*	235,797	229,548
Seven Months Ended July 31:		
Gross earnings	2,941,737	2,956,411
Less: Oper. exps.	1,299,391	1,307,624
Net earnings*	1,642,346	1,648,787

*Before income and profits taxes.

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Directed by
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TELEPHONE TIPS FROM A FIGHTER PILOT

A fighter pilot must keep *48 basic factors* in mind. These are technical flying matters, apart from battle tactics.

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On Active Service

Giving Wings to Words

THE BELL TELEPHONE COMPANY OF CANADA

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THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING SEPTEMBER 1

A

Range 1941 High	Low	Div R'te $	Aug30 Y'ld %		Sales	Last Aug. 25	Week end. Sept. 1 H	L	Cl'se
.90	.50	*	...	Abitibi	2525	.75	.85	.75	.85
8	4	*	...	Do. pref. 6%	5461	6½	6½	6	6½
12½	8	*	...	Do. pref. 7%	91	10	10	9	10
3	1	*	...	Acme Glove	....	(2 bid — asked)			
60	50	6.50	13	Do. pref.	....	(50 bid — asked)			
13	11½	80+20c	8	Agnew Surp.	....	(12½ bid 13 asked)			
108	105	7	6.6	Do. pref.	....	(108 bid — asked)			
1.50	.75	*	...	Alta. Pac. Gr.	....	(— bid 1.60 asked)			
32	24½	*	...	Do. pref.	59	32	32	25	32
10	7	*	...	Algoma Steel	215	9	9½	9½	9½
97½	84½	5	5.6	Do. pref.	....	(89 bid — asked)			
115	98	8	8	Aluminium	170	102	103	100	100
120	117	6	5.1	Do. pref.	....	(115 bid — asked)			
7½	5½	25c	...	Amal. Electric	....	(6 bid — asked)			
37	37	60c	1.6	Amer. Cyn. B.	....	(33 bid — asked)			
46	44	2.75	6.2	Ang. Can. Tel. p	....	(— bid 47 asked)			
19½	14½	60+60c	6½	Asbestos	65	19	19	19	19
17½	14½	1	5.9	Assoc. Brew	50	16½	16½	16½	16½
111	108½	7	6.3	Do. pref.	....	(110 bid — asked)			
*2	2	*	...	Assoc. T. & T.A.	....	(— bid 2 asked)			
‡24	24	48c	...	Do. pref.	....	(— bid 24 asked)			
$103	101	5.50	5.3	Ault & Wiborg.	....	(100 bid — asked)			

B

Range 1941 High	Low	Div R'te $	Aug30 Y'ld %		Sales	Last Aug. 25	Week end. Sept. 1 H	L	Cl'se
147	140	8	5.6	Bk. Can. Nat.	11	143	143	142½	142½
195	171	8	4.4	Bk. Montreal	....	(183 bid — asked)			
285	268	12	4.3	Bk. N. Scotia	13	270	278	274½	274½
250	240	10	4	Bk. Toronto	2	246½	246½	246½	246½
*5	4½	*	...	Barcelona	....	(— bid — asked)			
1.25	.35	*	...	Barker's Bread	....	(.35 bid — asked)			
22	16	2.50	...	Do. pref.	....	(16 bid 17 asked)			
13	10	1	7.8	Bathurst Pr.	1705	12½	13	12½	13
2½	1	*	...	Do. (B)	5	2	2	2	2
2½	2	*	...	Beath & Sons	....	(2½ bid 3½ asked)			
8	4½	*	...	Beatty Bros.	....	(6½ bid 7 asked)			
102½	99	6	6	Do. pref.	25	99	99	99	99
90	88	7	7.8	Do. 2nd pref.	....	(82 bid 101 asked)			
11	6½	*	...	Beauharnois	130	9½	10	9½	9½
80	80	4	5	Belding Cort.	....	(— bid 89 asked)			
128	124	7	5.6	Do. pref.	....	(124 bid — asked)			
160½	137	8	5.3	Bell Telephone	437	148½	151	149	150
6½	5	30c	4.8	Bertram & Sons	....	(6 bid 6½ asked)			
8½	7	60c	8.6	Biltmore Hats	....	(7½ bid 4½ asked)			
6	5	*	...	Blue Ribbon	....	(— bid 5½ asked)			
37½	30	2.50	8.3	Do. pref.	....	(30 bid 35 asked)			
10	10	60c	6	Blue Top Br. A	....	(9 bid 11 asked)			
7	7	*	...	Do. (B)	....	(8 bid 11½ asked)			
22	20	1.30	5.9	Brant. Cord. pf.	....	(20½ bid 23½ asked)			
8½	5	*	...	Brazilian Tr.	2426	7½	7½	7½	7½
5½	2½	50+10c	...	Brew. & Distil.	32	4½	4½	3½	3½
6½	6½	30c	4.6	Bright, T. G.	....	(6½ bid — asked)			
90	90	6	6.7	Do. pref.	....	(90 bid — asked)			
18½	15	1	6.2	Brit. Amer. Oil	908	16½	16½	16	16½
12½	9½	*	...	B. C. Packers	10	11	12	12	12
26½	22½	2	8.4	B. C. Power A	160	24	23½	23½	23½
2.00	1.00	*	...	Do. (B)	165	1.75	2.00	2.00	2.00
6½	4½	*	...	Bruck S. Mills	85	6½	6	6	6
15½	13½	70+10c	5½	Building Prod.	375	14½	14½	14½	14½
10½	7½	60c	6.7	Burlington St'l	....	(9 bid 9½ asked)			

C

Range 1941 High	Low	Div R'te $	Aug30 Y'ld %		Sales	Last Aug. 25	Week end. Sept. 1 H	L	Cl'se
$70	70	*	...	Calgary Power	....	(— bid — asked)			
102½	98½	6	5.9	Do. pref.	....	(101 bid 105 asked)			
3	1½	*	...	Canada Bread	....	(2½ bid 4 asked)			
100	95	5	5	Do. pref.	....	(100 bid — asked)			
45	35	2.50	5.6	Do. pref. B.	....	(45 bid 50 asked)			
4½	3½	40c	8.4	Canada Bud	....	(4½ bid 5½ asked)			
7	4	*	...	Canada Cement	82	5½	5½	5½	5½
100	89½	5	5	Do. pref.	16	99	99	99	99
5½	5½	‡30c	...	Can. Cr. Stone	....	(— bid 5 asked)			

F, G

Range 1941 High	Low	Div R'te $	Aug30 Y'ld %		Sales	Last Aug. 25	Week end. Sept. 1 H	L	Cl'se
.15	.15	*	...	For. Pr. Secs.	....	(— bid .25 asked)			
15½	10½	1	8.7	Foundation Co.	1595	13½	15½	13½	15
10½	4½	*	...	Fraser Cos.	185	8	10½	10	10½
11½	5½	*	...	Do. Vot. Tr.	901	10	11	10	11
.50	.50	*	...	Freiman	....	(.50 bid — asked)			
47	41	*	...	Do. pref.	....	(40 bid — asked)			
9½	6	‡55c	...	Gatineau Pwr.	17	7½	7	6	7
90	70	5	6.7	Do. pref.	25	74½	75	74	75
95½	75	5.50	6.9	Do. 5½% pref.	40	80	80	80	80
1.25	.15	*	...	Do. Rights	15	.25	.15	.15	.15
6½	4½	*	...	Gen. St. Wares.	235	5½	6	5½	6
94	86	7+27c	...	Do. pref.	....	(90 bid 90½ asked)			
80	66	2.50+1.50	...	Goodyear Tire.	....	(72½ bid — asked)			
56	52½	2.50	4.6	Do. pref.	138	54½	54½	54	54
*50	50	‡3	...	Gould Pumps	....	(— bid — asked)			
4	2½	*	...	Gt. Lakes Pap.	....	(3 bid 3½ asked)			
$29	18½	‡75c	...	Do. pref.	....	(— bid 20 asked)			
3½	1½	*	...	Do. Vot. tr.	90	2½	3½	3	3½
19½	12	‡75c	...	Do. Vot. tr. p.	805	16	19	16½	19
5½	1½	*	...	Gt. W. Saddlery	50	4½	4½	4½	4½
30	25	3.75	...	Do. pref.	....	(26 bid 35 asked)			
11½	9½	60c	6.3	Greening Wire.	355	9½	10	9½	9½
$1.25	1.25	10c	...	Growers' Wine.	....	(— bid — asked)			
4½	2½	*	...	Gurd, Chas.	....	(2½ bid 3 asked)			
$107½	106½	*	...	Do. pref.	....	(— bid — asked)			
3½	2	*	...	Gypsum, Lime.	725	3½	3½	3½	3½

H, I

Range 1941 High	Low	Div R'te $	Aug30 Y'ld %		Sales	Last Aug. 25	Week end. Sept. 1 H	L	Cl'se
17	16½	1	...	Halifax Fire	....	(— bid — asked)			
5½	2½	*	...	Ham. Bridge	1912	4	4½	4	4½
36	34½	2+2▲	5½	Ham. Cot., pf.	40	36	35½	35½	35½
1.10	.65	*	...	Ham. U. Theat.	18	1.00	1.00	1.00	1.00
75	65	5	6.7	Do. pref.	....	(50 bid — asked)			
3½	2½	20+10c	...	Harding Carpet	....	(3½ bid 4 asked)			
.25	.25	*	...	Hillcrest Coll.	85	.25	.25	.25	.25
4	2½	*	...	Do. pref.	15	4	4	4	4
10½	8½	50c	5.3	Hinde & Dauch	135	9½	10½	10½	10½
*20	20	*	...	Holt Renfrew	....	(— bid — asked)			
35	35	*	...	Do. pref.	....	(— bid 45 asked)			
17½	14	2	13.3	Honey Dew	130	16	15	15	15
14½	10½	*	...	H. Smith Pap.	900	13½	14½	13½	14½
101	94	6	6	Do. pref.	10	100	99½	99½	99½
18	14	1	7.2	Humberstone S.	....	(11 bid 14 asked)			
4½	3½	*	...	Hunts (A)	....	(3½ bid 4½ asked)			
5	2	*	...	Do. (B)	....	(3½ bid 7 asked)			
57	52	4	7.2	Huron & E. Mt.	15	57	55½	55	55½
9½	8	*	...	Do. 20% pd.	25	8½	8½	8½	8½
.80	.60	*	...	Hydro Electric.	....	(.50 bid 2.00 asked)			
205	192	10	5	Imperial Bank	47	196½	198½	198	198½
10½	8½	50c	5.3	Imperial Oil	2786	9½	9½	9½	9½
14	11	40+22½c	5	Imperial Tob.	835	12½	12½	12½	12½
8	5	6%	4	Do. pref.	250	7½	7½	7½	7½
16	10	‡50c	...	Indust. Accept.	....	(— bid 11 asked)			
$36	35	3	...	Inter-City Bak.	....	(20 bid 30 asked)			
50	39	‡5+1	...	Inter'c Coal	....	(42 Aug. 5)			
$120	120	8	6.7	Do. pref.	....	(— bid — asked)			
16½	13	1.50	11.1	Inter. Bronze	700	13½	13½	13½	13½
25	20	1.50	6.5	Do. pref.	....	(23½ bid — asked)			
.25	.25	3c	...	Int. Coal & C.	....	(25 bid .40 asked)			
10½	6	*	...	Int. Metal Ind.	565	9	9½	9½	9½
105	93	6+3▲	6.1	Do. pref.	10	98	98	98	98
100	93½	6+3▲	6.2	Do. pref. A.	....	(97 bid 100 asked)			
115½	110	5	4.5	Int. Mill., pf.	5	112	111	111	111
36½	29½	2	5.9	Int. Nickel	2450	34½	34½	34	34
156	150	7	4.5	Do. pref.	....	(— bid — asked)			
2½	2	*	...	Int. Paints	....	(2½ bid 3 asked)			
15	15	1+25c▲	...	Do. pref.	....	(13 bid 20 asked)			
21	14½	*	...	Int. Pap. & P.	....	(20 bid — asked)			
81	68	5+6.25▲	7	Do. pref.	....	(76 bid — asked)			
15½	13	1	7.3	Int. Pete.	1005	13½	13½	13	13½
3½	2½	*	...	Int. Power	5	2½	2½	2½	2½
89	79½	7	8.2	Do. pref.	....	(— bid 87 asked)			
*11½	10½	*	...	Int. St. Rlty. A.	....	(— bid 10 asked)			
*4	3½	*	...	Do. (B)	....	(— bid 4 asked)			
7	5	*	...	Int. Util. (A)	....	(5½ bid — asked)			
.25	.10	*	...	Do. (B)	400	.15	.15	.10	.10

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds
Sept. 3, 1941

%	Due	Bid	Ask.	Approx. Yld.
5	Nov. '41	100½	101	.48
1½	May '42	100½	100½	.45
2	June '42	100½	101½	.32
3	Oct. '42	102	102½	.76
2½	June '43	101½	102½	1.19
5	Oct. '43	106½	107	1.63
2	June '44	100½	101½	1.53
a2½	Jan. '44	97½	98½‡	2.96
4½	Oct. '44	107½	108½	1.77
2½	Nov. '44	101½	102½	1.70
a2½	Aug. '45	96½	97½‡	3.24
4	Oct. '45	104½	105	b1.60
4½	Feb. '46	109	109½	2.17
3½	June '49	102½	103½	b2.46
3½	Oct. '49	102½	103½	b2.41
3½	Nov. '51	101½	102	b2.94
3½	Feb. '52	101½	102	b2.91
a5	May '52	101½	‡102½	b1.05
4	Oct. '52	105½	106½	b2.85
3	Oct. '52	98½	99½	3.08
3	June '55	98½	99½	3.04
4½	Nov. '56	107	107½	b2.87
4½	Nov. '57	107½	108½	b2.98
3	June '58	98½	99	3.07
4½	Nov. '58	108½	109½	b3.05
4½	Nov. '59	109½	110½	b3.07
a4	Oct. '60	101½	‡102½	b3.70
a3½	Jan. '61	92	93½‡	3.74
3½	June '66	100½	101½	b3.15
a3e	Jan. '67	88½	89½‡	3.63
a3e	Nov. '68	88½	89½‡	3.60
†3	Perpet'l.	93	93½	3.20

Dominion Guarant'd Bonds
Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100½	101½	1.25
2½	Jan. '46	100½	101½	1.75
3	May '44	102½	103½	1.73
3	Dec. '50	99½	100	3.00
3	Feb. '53	98	99	3.10
3	Jan. '59	97½	98½	3.13
*4½	Sept. '51	115	116	2.67
*4½	Feb. '56	115½	116½	3.10
4½	July '57	116	117	3.13

%	Due	Bid	Ask.	Approx. Yld.
*4½	June '55	117½	118½	3.08
5	Feb. '54	116½	117½	3.28
*5e	July '69	115	116	b1.20
*5e	Oct. '69	119	120	b2.27
*5e	Feb. '70	119	120	b2.36
Grand Trunk Pacific Rly.:				
3	Jan. '62	99	100	3.00
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	90	92	3.92
3½	Aug. '49	93½	95½	3.91
3½	June '56	93½	95½	3.90
c4	Nov. '47	98	100	4.00
c4½	Apr. '61	103	105	4.12
c5	Jan. '60	105	108	4.36
Nova Scotia:				
3	Jan. '52	95	96½	3.38
3½	June '56	95½	97½	3.46
3½	Nov. '50	98½	100	3.50
c4½	Sept. '52	106	107½	b3.14
c4½	Nov. '60	109	111½	3.67
c5	Mar. '60	115	117	3.72
Ontario:				
2½	May '45	99½	100½	2.43
3	Apr. '48	99½	100½	b2.95
3	Nov. '50	98½	99½	3.07
3½	Nov. '51	100	101	b3.11
3½	May '55	100	100½	b3.17
*4	June '62	108	110	3.33
4½	June '50	110	111	3.07
*4½	Jan. '62	114	116	3.41
5	Oct. '48	111½	112½	3.05
*5	Dec. '60	120	122	3.44
5½	July '46	111	112	2.90
Ont. Hydro Commission:				
3	Aug. '48	99½	100½	b2.90
3½	Feb. '53	100	101	b3.11
3½	Apr. '47	101½	102½	3.01
Prince Edward Island:				
3	Oct. '45	95	98	3.53
Quebec:				
3	Nov. '47	96	97½	3.45
3½	Mar. '48	96½	98½	3.51
3½	Mar. '59	95	97	3.73

%	Due	Bid	Ask.	Approx. Yld.
4	Nov. '52	100	102	b3.74
3½	Feb. '55	98	99	[illegible]
4½	Aug. '58	102	104	[illegible]
4½	Jan. '63	104	107	[illegible]
Alberta:				
4	Dec. '54	63	67	d
4½	Oct. '51	66	71	d
4½	Oct. '56	64½	68½	d
*5	Oct. '59	66	70	d
c5½	Apr. '52	68	72	d
6	Mar. '47	72	76	d
British Columbia:				
c4	Dec. '57	99	103	[illegible]
*4½	Jan. '51	103	106	[illegible]
c4½	Oct. '53	103	106	[illegible]
c5	Apr. '54	106	110	[illegible]
5½	Feb. '45	103	107	[illegible]
6	Feb. '47	106	110	[illegible]
Manitoba:				
c4	Dec. '57	90	94	[illegible]
c4½	Dec. '56	95	99	[illegible]
*5	Dec. '59	98	102	[illegible]
5½	Oct. '55	100	104	5.10
6	Apr. '47	102	106	[illegible]
Saskatchewan:				
4	Sept. '54	74	78	[illegible]
4	Nov. '60	73	77	[illegible]
c4½	Oct. '51	82½	87½	[illegible]
c4½	Mar. '60	78	82	[illegible]
5	Aug. '58	83	87	[illegible]
5½	Oct. '52	89	93	[illegible]
6	Mar. '52	92	96	[illegible]

*–Payable Can., N.Y. and £. b–Calculated to call date giving lowest possible yield. c–Payable Can. & N.Y. a–Payable N.Y. †–Callable on or after Sept. 15, 1966. d–Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e–Callable at a premium. ‡–N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Sept. 2, 1941

	Bid	Ask.
Industrials:		
Acme Farm., pf.	43	46
Andian National	29	31
Anglo C. Tel., A	8½	9½
Atlas Steel	19½	..
Barrymore, pfd.	30	..
B. C. Pulp, c.	11	12½
Do., pfd.	67	72
B. C. Sugar	74	76½
B. C. Tel., 1st p	110½	114
Burns & Co., A	4½	5½
Do., B	3	4
Can. Co-op. Wl.	8	..
Can. Indust., A	175	..
Do., pref.	170	174
Can. Ing. Rand	75	77
Can. Mot. L.A.B.	2½	..
Can. Tube, 1st p	92	..
Chase, A. W., p.	18	20
Claude Neon. p.	4½	5½
Colonial Steam.	20	23
Copeland Fl. un.	12	14
Colonial Realty	2	..
Dom. Manuf., p.	60	65
Dunlop T. p. $25	20½	22
East. Steel, pf.	..	20
Easy Wash. p $10	9½	10½
Goderich Elev.	6½	7½
Guelph Carp., c.	17½	20
Gurney Fdry., p	1½	1½
Hayes Steel, c.	9	10
Hi'land Dairy, p	48	51
Homewood San.	112½	125
Inglis, John	3½	4½
Ingram & Bell p	95	..
Kingst. Ship. un	31½	32½
Loblaw, Inc., c.	10	11½
Minn.&Ont. P. c	3½	4
M'row Screw, p.	103	..
Do., com.	12½	..
Moirs, pfd.	18½	21½

	Bid	Ask.
Morrison Br. un	4	5
Mt. R. Hotel, c.	2½	3½
N. B. Tel., c.	10½	12½
Neilson, Wm. p.	100	..
N. Meth. Ldy. p	55	58½
Ont. Jockey C.	800	900
Ont. Tobacco, p.	16	20
Pac. C. Term. c.	9½	10½
Prov. Paper, pf.	100	102½
Ruddy, E. L., p.	22	25
Quinte Milk	2	3
Stand. Fuel, p.	52½	55
Stedman, pf. $50	57	59
Sutton Horsley	1	1½
Tor. Carpet, c.	40	..
Do., pfd.	66	70
Un. F. Co-op.	2½	3½
Un. Steel A pf.	23½	25
Viceroy Mfg., p.	25	..
Do., com.	13	..
Westons Hold.	3½	..
Trusts & Loan Stocks:		
Brit. Mtge.	124	132½
Brockville Tr.	41	..
Capital Tr.	30	32½
Comm. Fin., c.	3½	3½
Grey&Br. Tr. $50	44	46
Guaranty Trust.	100	103½
Guelph & O. $50	51	53½
Indust. Mtge.	24	..
Lambton Loan	30½	33½
London & West.	34	37
Midland Loan	14	16
Premier Trust	..	47
Sherbrooke Tr.	120	..
Sterling Trust	50	55
Traders Fin. A c	7	9
Do., A pfd.	76	79
Trusts & Gr. new	40	45
Victoria Trust	73	77
Waterloo Trust	99	..

	Bid	Ask.
Insurance Stocks:		
Canada Life	380	[illegible]
Brit. Amer.	51	[illegible]
Canadian Fire	80	..
Confed. 30% pd.	132	137
Continental L.	35	[illegible]
Crown, fully pd.	240	[illegible]
Dominion Fire	137½	[illegible]
D. of Can. Gen.	115	[illegible]
Empire, 25% pd.	5	[illegible]
Excelsior 38% pd	70	[illegible]
Federal, 25% pd.	51	..
Great-West Life	192	[illegible]
Halifax Fire	15½	[illegible]
Imperial Life	290	[illegible]
Manufac. Life	220	[illegible]
Monarch Life	32	[illegible]
National Life	..	[illegible]
Sov. L. 25% pd.	14	..
Sun Life	285	[illegible]
Tor. General	4	[illegible]
Wellington Fire.	58	..
Western Assce.	43	[illegible]
Theatre Stocks:		
Allen's King. un	61	[illegible]
Do. St. Cath. un	51	..
Mansf. Theat. p.	28	31
Para. Kitch., p.	50	..
Do. Oshawa, c	8	10
Investment Trust Shares:		
Can. Investors	4	5
Inv. Found. un.	42	44
Sec's. Hold., pf.	18	21
United Corp., A	18	[illegible]
Do., B	4	5
Power Issues:		
Can. W. N. Gas	27	..
Do., pfd.	102	104
Gt. Lakes Pr., p	101	[illegible]
Mtl. Is. Pwr., p.	41	..
Nor. Ont. Pr. p.	70	75

Unlisted Mines

Toronto Sept. 2, 1941

	Bid	Ask
Albany R		
(old)	.03	.04½
(new)	.08	.11
Am Kirk	.08	.09
Anoki	.03½	.04½
Aquarius	.13	.15
Arjon	.03½	.04½
Arm'tice	.13	.15
Argosy	.07½	.08½
Area	.03	.03½
Athona		
(old)	.01	.02
(new)	.02	.03
Bar Lar	.02	.02½
Bilmac	.01	.03
Brock	.30	.32
Buf Bear	..	.03
Cald B	.05½	.06½
Cent M	.02	.02½
Cheminis	.02½	.03
Coin La	.03½	.04
Cons Ch	.05½	.07
Crescent	.00½	.01
Dayton	.01	.02
Demp C	.00½	.01½
Denovo	.10	.12
Delpine	.11	.11½
Desan n	.17	..
Dona P	.01½	.02½

	Bid	Ask
E Laco	..	.01
E'ward	.20	.22
Elmos	.08½	..
Franco	.30	.35
Galore	.01	.02
Gate Pat	.00½	.01½
Gilbec	.00½	.01
H'ridge	..	.11
Hoyle n	.20	.22
Hu PaP	.07	.09
Hutch L	.01½	.02½
Jasper	...	.14
Keora	.01½	.02½
Kenricia	.01½	.02½
Kewag	.02	.03
Kiena	.01	.02
Kirk Ga	.00½	.01½
Lacoma	.01	.01½
Laguerre	.24½	.26
La Duf	.19	.20
La Gen	.10	.13
Lw Pete	.13	.16
Magn C	.80	.85
Magn L	.18	..
Mart B	.02½	.03½
Margar	.08	.10
Mata Ca	.03½	.04½
Mata Co	.18	.20

	Bid	Ask
McLell	.21	.24
McMar	.38	.40
Mof H n	.02	.03
Mooshla	.01½	.02½
Mosher	.08	.09
McManus	.01½	.02½
Nat Mal	.30	.32
New Aug	.27	.30
Nick O	.70	.95
Norbeau	..	2.22
Nor'land (1941)	.03	.05
Norwin	..	.04½
Numal	.09	.11
Oklend	.05	.06½
O'Leary	.03½	.04
Ont Nick	.10	.12
Opemis	.05	.06
Oriole	.00½	.01½
Orpit	.11½	.13
Ossian	.00½	.01½
Pascalis	.33	.35
Pontiac R (old)	.04	.05
Pelang	.01½	.02½
Phoenix	.01	.02½
Polaris	..	.07
Propri'y	3.65	3.90

	Bid	Ask
Presdor	.05	.08
Que Ma	.14	.16
Rahn La	..	.01
Rand M	.11	.13
Red La	.01	.02
Ribago n	.01½	.02
Rouge D	.06	.09
S.A.G.A.	1.00	1.15
Sachigo	3.75	4.00
Sanshaw Special	..	.07
Senore	.07	.08
Shenango (new)	.17	.20
Sheldon	.04	.05
Skynner	.01½	.02½
Smelt G	.00½	.01
Sunb'm	..	.02
Springer	.28	.30
Stadac	.08	.10
Thomson	.16	.17
Treaty P	..	.08
Tundra	.28	.30
Union M	.03½	.04½
Wasu	..	.04
West R	.00½	.01½
Wesley	.04	.05
Y Dav	.26	.28

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)
Sept. 2, 1941

Public Utility Issues:	Int. Rate %	Due	Bid Sept. 2	Asked	Bid Aug. 26
▲‡Alg. C. H B.R.	5	'59	12	14	12
†Assoc. Tel. & T.	5½	'55	75½	78½	73½
B. C. Power	4½	'60	99½	101½	98½
B. C. Tel.	4½	'61	105½	107½	104½
†Calgary Pwr.	5	'60	107	109	106½
Do.	5	'64	103	..	103
†Can. Nor. Pwr.	5	'53	103	105	103
*Dom. Gas & El.	6½	'45	103½	106½	103½
Gatineau Pwr.	5	'49	101	103	101
*Do., A	3½	'69	98½	100½	97½
▲Do., B	3½	'69	97½	99½	96½
Gt. Lakes Pwr.	4½	'56	100½	102½	100½
Do.	5	'57	98	101	98
*Int. Hydro-E.	6	'44	42	..	45
▲Inter. Power	6	'55	101½	103½	100½
L. St. Law Pwr.	5	'55	98	101	98
Macl'n-Que. Pr.	4	'59	98	100	97½
Mtl. L. H. & P.	3½	'56	101½	103½	101
Do.	3½	'73	99	101	99
Do.	3½	'63	100½	102½	100
†Mtl. Tramways	5	'41	96½	99½	96½
†Do.	5	'55	68	71	68
Nat. Lt. & Pwr.	6	'49	101½	103½	101½
N. S. Lt. Pr.	4	'57	101	103	101
Ottawa L.H.&.P.	4	'57	101½	103½	101
Ottawa V. Pwr.	5	'59	101½	103½	101½
†Power Corp.	4½	'59	94	97	93
Quebec Pwr.	4	'62	101½	103½	100½
*Saguenay P., A	4½	'66	106½	108½	106½
▲Do., B	4½	'66	104½	106½	104½
St. Maurice Pr.	4½	'70	102	104	102
Shaw. W. & Pr.	4	'61	101½	103½	101
Do.	3½	'46	101½	103½	101
Do.	4	'69	100½	102½	100½
Union Gas	4½	'50	102	104	102
*Twin C. R. Tr.	5½	'52	69	72	67½
†United Secs.	5½	'52	43	46	43½
‡Wpg. El., ser. A	5	'65	74½	77½	73
Do., B	5	'65	52½	55½	52
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	74	77	74
Do., C.O.D.	5	'53	74	77	74
Acadia Sugar	4½	'55	102	104	102
Do.	6	'54	98½	101½	98½
†Alta. Pa. Grain.	6	'46	100	102	100
Algoma Steel	5	'48	103½	105½	103
Atlantic Sugar	4	'51	101	103	101
†B. C. P. & Pap.	6	'50	88	91	87½
†‡Do.	7	'50	112	115	112
*Brown Co.	5½	'46	65	68	61½
Burns & Co.	5	'58	66	69	64½
Canada Cement	4½	'51	103½	105½	103½
Canada Electric	4½	'65	95	98	95
Can. Paper	4½	'52	101½	103½	100½
Can. Steamships	5	'57	100	102	100
Can. Canners	4	'51	102	104	101½
*Can. Int. Paper	6	'49	104½	106½	104½
‡Can. Locomotive	6	'53	86½	89½	85½
‡†Candn. Vickers	6	'47	73	76	70½
C. P. R.	3½	'51	95	97	94½
Do.	4	'49	99	101	98½
Do.	6	'42	101	103	101
Col. Steamships	6	'54	97½	100½	97½
†Consol. Paper	5½	'61	74	77	71½
Dom. Coal	4½	'52	101½	103½	101½
Dom. Scott. Inv.	4	'52	95½	98½	96
Dom. Stl. & Co.	6½	'55	107½	110½	107
Dom. Tar	4½	'51	102½	104½	102
Dom. Woollens	6	'53	97½	100½	97
†Donnacona P.	4½	'56	78½	81½	78
*Dryden Pap.	6	'49	99½	102½	99½
‡Dufferin Pav.	5	'55	61	64	60
†East. Dairies	6	'49	85	88	84
Famous Players	4½	'51	97½	100½	97½
†Federal Grain	6	'49	100	102	100
†Fraser Cos.	6	'50	100	102	99½
Galt Brass	5	'50	90	..	90
Gen. Stl. Wares.	4½	'52	100½	102½	100½
*Great L. Paper	5	'55	95½	98½	95½
'Gurney Fdry.	5½	'49	75½	78½	75½
†Gypsum, Lime	5½	'48	100½	102½	100½
Ham. By-Pr., C.	5	'55	102½	104½	102½
Do.	6	'56	100½	102½	100½
Ham. Cotton	4½	'50	100	102	100
Inter-City Bak.	5½	'48	102	..	102
Indust. Accept.	4	'52	81½	84½	82
Ins. Ex. Bldg.	3	'51	41½	44½	41½
*Inter. P. Nfld.	4½	'68	90	..	90
*Inv. Bond & Sh.	5	'47	42	45	42
†Kingston Elev.	6	'50	103½	105½	103½
Lake St. J. P.	5½	'61	88	91	87
Do.	5	'61	66	69	62½
Legare	6	'61	86	89	86
Maple Leaf M.	3	'58	76½	79½	76½
Man. Sugar	5	'60	98½	101½	98
Massey-Harris	4½	'54	95	98	94½
McColl-Fron.	4½	'49	102	104	103

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid Sept. 2	Asked	Bid Aug. 26
Do.	4½	'52	103	..	103
Mercury Mills	5	'39	93	96	93
Mersey Paper	5	'57	98	101	98
†Do.	6	'49	99	102	99
*M. & O. Paper	6	'45	..	..	81½
Moirs Ltd.	6	'53	84	87	84
‡Mtl. Drydocks	6	'48	65	..	64
Montreal Apts.	4	'54	59½	62½	59
Nat. Grocers	4	'47	101	103	101
N. S. Stl. Coal	3½	'63	83	86	85
Price Bros.	5	'57	98½	100½	98½
Do.	4	'57	87	90	88½
*Prov. Paper	5½	'47	104½	..	104½
Reliance Grain.	4½	'52	96	99	96
†Restigouche Co.	6	'48	99½	101½	99½
Rolland Paper	4½	'51	101½	103½	101½
Ruddy, E. L.	6½	'48	100½	102½	100½
Silv. Dairies	6	'66	93½	96½	93
Simpsons Ltd.	4½	'51	101½	103½	101½
Smith, Howard.	4½	'51	103½	105½	103½
Stand. Lime	6	'44	97	..	97
Sterling Coal	6	'45	97	100	97
Stop & Shop	3	'47	57	60	57
United Corp.	5	'53	91	..	90
*United Gas	5½	'48	103½	105½	103
United Gr. Grs.	5	'48	96½	98½	96½
†Western Grain	6	'49	64½	67½	64

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
▲Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & Co., Toronto)
Sept. 2, 1941

Miscellaneous Stocks:	Bid Sept. 2	Asked	Bid Aug. 26
†Allens Tor. Th., p.	34	36	33
Atlas Steel, 7% pref.	101½	103½	101½
Brown Co., c.	2.35	2.50	2.10
Can. Col. Airways	3.00	3.50	2.75
*Can. Gen. Rubber, pref.	23	29	25
C.P.R., pref. (£ par)	1½	2½	1½
Cawthra Apts. pfd.	1½	2½	1½
Colonial Realty, c.	1½	..	1½
Colling. Term. units	.65	1.00	.75
Corrug. Paper Box, c.	.50	.70	.45
Dover Industries	6½	7	6½
East. Bake., p.	29	38	29½
†Ft. Wm. Hotel, units	43½	50	43
Galt Brass, c.	8	9½	7½
Imperial Varnish c.	9½	10	9½
Inter. Equities. units	25½	30	25½
Inter. Util. 1.75 pfd.	14	16½	13½
†Loew's Lond. Th., p.	2½	3½	2½
*Monarch Mtge. Inv. un.	.30	.50	.35
Murphy Paint, com.	9	11	9
Do., units	98	99½	98½
Nat. Hosiery com.	.70	.90	.75
†N. Amer. Elev., p.	70½	..	70
Reanite Corp.	2½	3½	2½
Second Std. Royal's p.	.02½	.03½	.02½
Third Can. Gen. Inv.	1½	2½	1½
Tip Top Tailors Inc., p.	13	15	13
Traders Fin. Rts.	12½	13½	12½
Wentw. Radio. pref.	3½	..	3
West Can. Hydro, p.	10½	11½	11
West Life. 10% p.	9	10	8½

*Issue carries arrears.
†Currently paying on arrears.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.43	2.68
Can. Amer. Trust	3.00	3.45
Can Inter. Trust	4.00	5.00
Can. Invest. Fund	3.30	3.63
Corporate Investors	5.50	5.95
Trans-Can.	9.65	10.55

Municipal Bonds

Sept. 2, 1941

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	112.00	113.00	3.91
Hamilton	5	1950	108.25	111.25	3.30
Montreal	5	1945	94.00	96.00	6.25
Ottawa	4½	1945	103.75	106.25	2.85
†Quebec	5	1958	106.00	109.00	4.27
Saint John	5	1950	103.00	106.00	4.21
†Toronto	4½	1955	110.00	114.00	3.22
†Vancouver	5	1950	101.00	103.00	4.38
Winnipeg	5	1944	102.00	104.00	3.61

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Sept. 2	18,100	28,100	382,000	......
Sept. 1	Holiday			
Aug. 30	7,000	6,600	213,000	6,235
Aug. 29	13,600	22,700	256,000	16,030
Aug. 28	14,800	9,100	253,000	10,710
Aug. 27	16,700	20,100	298,000	17,500

Winnipeg Stocks

(Transactions from Aug. 25 to Aug. 30)

	Sales	High for period	Low for period	Close Aug. 30
Beaver Lumber, c.	100	3.00	3.00	3.00
Canadian Fire	20	81.00	81.00	81.00
Dominion Envelope, c.	20	8.50	8.00	8.00
Franco Oils	1,050	.28	.28	.28
Great-West Life	2	185.00	185.00	185.00
Sachigo River	100	3.70	3.70	3.70
United Grain Growers	6	9.50	9.50	9.50
Western Steel	20	8.00	8.00	8.00
Wings	100	.45	.45	.45

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Can. Airways	1	..
Can. Indemnity	150	..
Corr. P.Box, c.	.60	.80
Dom. Envelope, p.	94¼	100
Fed. Grain, c.	.35	..
Fed. Grain, p.	30	31½
Grouped Inc.	..	3⅛
Home Invest.	15½	..
Nor. Can. Mtg. p.	5	..
Nor. Trusts	7	..
Traders Bldg.	43	..
West. Brew.	1⅝	2
West. Grain, p.	..	9
Wings vot. tr.	.40	..

*Stocks more active on other exchanges not included.

Mining Dividends

	Rate	Sept. 1	Yield %
Anglo-Huronian	▲10c	2.55	..
Aunor Gold	12c	1.75	..
Beattie Gold	16c	1.08	14.8
Bralorne	80c+40c	11.50	*10.7
Broulan Porc.	12c	.74	16.2
Buffalo Ankerite	▲20c	4.25	..
Bulolo Gold	$3	17.75	16.9
Can. Malartic	8c	.59	13.5
Cariboo Gold	16c+8c	2.30	*10.3
Central Patricia	16c+6c	1.89	*11.6
Chesterville	10c	1.55	..
Cochenour Willans	3c	.65	..
Coniagas	▲17½c	1.05	..
Coniaurum	16c	1.26	12.6
Cons. Smelters	$1+$1.50	38.75	*6.4
Delnite	▲3c	.75	..
Dome Mines	$2	22.75	8.8
East Malartic	▲20c	2.45	..
Falconbridge	15c	3.35	..
Francoeur Gold	▲4c	.48	..
Goldale	‡2c	.13	..
Gold Belt	▲2c	.24	..
Grandview	▲1½c	.14	..
Gunnar Gold	6c	.25½	..
Hallnor	60c	3.95	15.2
Hard Rock	▲5c	.80	..
Hedley Mascot	8c	.43	..
Hollinger	65c+45c	12.87	*8.5
Howey Gold	▲2c	.20½	..
Hudson Bay	$2	28.25	7.1
Inspiration	†2c	.29	..
Inter. Nickel, com.	$2	34.00	5.9
Island Mountain	▲8c	1.02	..
Jason	†2c	.37	..
Kerr Addison	▲22c	4.70	..
Kerr Lake	‡10c	.30	..
Kirkland Lake	10c+2c	.75	*16
Kootenay Belle	▲6c	.25	..
Lamaque Gold	40c+15c	4.70	*11.7
Lake Shore	$1.40	14.25	9.8
Leitch	8c	.47	17
Little Long Lac	▲10c	1.80	..
Macassa	32c+3c	3.90	*8.9
Madsen R. Lake	‡6c	.67	..
Malartic Gold	†5c	1.75	..
McGillivray Coal	‡3c+1c	.20	..
McKenzie Red L.	12c	1.07	11.2
Moneta	8c	.36½	..
McIntyre-Porc.	$2.22+$1.11	49.25	*6.1
MacLeod-Cockshutt	‡20c	2.08	..
Naybob Gold	4c	.26	..
Negus	†5c	.50	..
Nipissing	15c	1.25	12
Noranda	$4	54.00	7.4
North Empire	▲20c	4.75	..
O'Brien Gold	10c	1.50	..
Pamour Porc.	12c	.98	12.2
Pato Cons.	20c+2c	2.55	*8.6
Pend Oreille	†6c	1.60	..
Perron Gold	16c+4c	1.45	*13.8
Pioneer, B.C.	40c	2.55	15.7
Pickle Crow	40c	2.80	14.3
Placer Develop.	$1.20	8.50	14.1
Premier	12c	.86	13.9
Preston E. Dome	20c+10c	3.15	*9.5
Privateer Mines	▲9c+3c	.47½	..
Quebec Gold	‡2c	.22	..
Relief Arlington	‡5c	.03	..
San Antonio	14c+6c	2.35	*8.5
Sheep Creek	16c	.95	16.8
Sherritt Gordon	▲5c	.80	..
Sigma Mines	▲30c	7.20	..
Silbak Premier	16c	.75	21.3
Siscoe	▲6½c	.53	..
Sturgeon River	4c	.14	..
Sudbury Basin	▲2½c	1.67	..
Sullivan Cons.	▲5½c	.64	..
Surf Inlet	▲1c	.10	..
Sylvanite Gold	28c	2.45	11.4
Teck-Hughes	40c+5c	2.85	*15.8
Toburn	12c+5c	1.42	*12
Upper Canada	▲11c	1.76	..
Ventures	▲10c	4.85	..
Waite Amulet	▲20c	4.85	..
Wendigo	3c	.20	..
Wright-Harg.	40c+30c	4.00	*17.5
Ymir Yankee	2c	.05¼	..

*Yield including bonus. †Initial. ‡Paid in 1940. ▲Paid or declared payable in 1941 to date.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surp., pref.	$1.75	Oct. 1	Sept. 15
Asbestos Corp.	15c	Sept. 30	Sept. 15
Do., bonus	15c	Sept. 30	Sept. 15
Amer. Cyan., A, B	†15c	Oct. 1	Sept. 8
Assoc. Brew., c.	25c	Sept. 30	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Bell Telephone	$2	Oct. 15	Sept. 23
B. C. Power, A	50c	Oct. 15	Sept. 30
Bright, T. G.	7½c	Sept. 15	Aug. 30
Do., pref.	$1.50	Sept. 15	Aug. 30
Bk. of N. Scotia	$3	Oct. 1	Sept. 15
Beattie Gold	4c	Sept. 23	Sept. 9
Brazilian Tr., pfd.	$1.50	Oct. 1	Sept. 15
Buff. Ankerite	10c	Oct. 7	Sept. 17
Burlington Steel	15c	Oct. 1	Sept. 15
Calgary & Edm.	5c	Sept. 30	Aug. 30
Canada Dry	†15c	Sept. 24	Sept. 10
Can. Wire & C., A	$1	Sept. 15	Aug. 31
Do., B	50c	Sept. 15	Aug. 31
Do., pref.	$1.62½	Sept. 15	Aug. 31
Canada Cement, p.	$1.25	Sept. 20	Aug. 30
Can. Indust., A, B	$1.50	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Canadian Oil, pf.	$2	Oct. 1	Sept. 20
Canada Malting	50c	Sept. 15	Aug. 30
Can. Gen. Electric	$2	Oct. 1	Sept. 13
Can. Nor. Power	■15c	Oct. 25	Sept. 30
Do., pref.	■$1.75	Oct. 15	Sept. 30
Can. Canners	12½c	Oct. 1	Sept. 15
Do., 1st pref.	25c	Oct. 1	Sept. 15
Do., participating	5c	Oct. 1	Sept. 15
Do., conv. pref.	15c	Oct. 1	Sept. 15
Do., participating	5c	Oct. 1	Sept. 15
Can. Celanese	25c	Sept. 30	Sept. 16
Do., extra	25c	Sept. 30	Sept. 16
Do., pref.	$1.75	Sept. 30	Sept. 16
Canadian Car, pfd.	44c	Oct. 10	Sept. 20
Can. Cottons	$1	Oct. 1	Sept. 15
Do., pref.	$1.50	Oct. 1	Sept. 15
Can. Gen. Invest.	12½c	Oct. 15	Sept. 30
Can. Perm. Mtge.	$2	Oct. 1	Sept. 15
Can. Malartic	2c	Sept. 26	Sept. 5
Can. Cr. Stone	10c	Sept. 30	Sept. 15
Canada Iron Fds.	$3	Oct. 1	Sept. 15
Do., pref.	$3	Oct. 1	Sept. 15
Can. Breweries, pf.	75c	Oct. 1	Sept. 13
Can. For. Inv., pf.	■$2	Oct. 1	Sept. 15
Canada Starch, c.	50c	Sept. 15	Sept. 8
Can. Wire Box A	37½c	Oct. 1	Sept. 15
Do., arrears	12½c	Oct. 1	Sept. 15
Canada Packers	$1	Oct. 1	Sept. 15
Can. West'ghouse	■50c	Oct. 1	Sept. 15
Cent. Patricia	4c	Sept. 30	Sept. 15
Do., extra	2c	Sept. 30	Sept. 15
Coniaurum Mines	4c	Sept. 25	Sept. 12
Cariboo Gold	4c	Oct. 1	Sept. 3
Do., extra	2c	Oct. 1	Sept. 3
Can. Bakeries, pf.	$2.50	Oct. 1	Sept. 19
Carnation C., 1 p.	†$1.25	Oct. 1	Sept. 19
Chartered Trust	$1	Oct. 1	Sept. 15
Command Oils	2c	Sept. 29	Sept. 13
Donnacona Pap. A B	10c	Oct. 1	Sept. 15
David & Frere, A	25c	Sept. 30	Sept. 15
Dominion Tar, p.	$1.37½	Nov. 1	Oct. 14
Dom. Textile	$1.25	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 15	Sept. 30
Dist.-Seagram	55½c	Sept. 15	Aug. 30
English Elec. A	62½c	Sept. 15	Aug. 30
Electrolux	†20c	Sept. 15	Sept. 4
Economic Invest.	■62½c	Oct. 1	Sept. 22
Ford Motor, A, B	25c	Sept. 27	Sept. 6
Famous Players	25c	Sept. 27	Sept. 6
Falconbridge N.	5c	Sept. 29	Sept. 9
Gt. Lakes Pap., A. B, p.	25c	Oct. 1	Sept. 22
Gatineau Pwr.	15c	Sept. 30	Sept. 2
Do., 5% pref.	$1.25	Oct. 1	Sept. 2
Do., 5½% pref.	$1.37	Oct. 1	Sept. 2
Greening Wire	15c	Oct. 1	Sept. 15
Ham. Un. Theat. p	$1.25	Sept. 30	Sept. 15
Hollinger Cons.	5c	Sept. 9	Aug. 26
Hudson's Bay	1+1½%•	Sept. 12	Aug. 22
Hinde & Dauch	12½c	Oct. 1	Sept. 15
Honey Dew	50c	Oct. 1	Sept. 15
Hamilton Cotton, p.	50c	Oct. 1	Sept. 15
Do., arrears	25c	Oct. 1	Sept. 15
H. Smith Paper, p.	$1.50	Oct. 15	Sept. 30
Huron & E. Mtg.	1%	Oct. 1	Sept. 15
Imperial Tobacco	10c	Sept. 30	Sept. 5
Do., pref.	3%	Sept. 30	Sept. 5
Int. Coal & Coke	1½c	Sept. 10	Sept. 4
Int. Nickel	†50c	Sept. 30	Sept. 2
Kirkland Lake	5c	Oct. 29	Sept. 29
Kelvinator of C.	25c	Sept. 10	Sept. 3
Lake of W Mill., c.	20c	Oct. 1	Sept. 15
Landed Banking	1%	Oct. 1	Sept. 15
Lake Shore M.	35c	Sept. 15	Aug. 30
Lamaque Gold	10c	Oct. 1	Sept. 10
Lang, J. A.	17½c	Oct. 1	Sept. 15
Louisiana Land	†10c	Sept. 15	Sept. 2
Langley's, pref.	50c	Sept. 12	Sept. 3
MacKinnon Stl., p.	$1.25	Sept. 15	Aug. 30
Macassa Mines	8c	Sept. 15	Aug. 30
McKenzie Red L.	3c	Sept. 15	Aug. 30
Montreal Loan	31¼c	Sept. 15	Aug. 31
Montreal Cottons	$1	Sept. 15	Aug. 30
Do., pref.	$1.75	Sept. 15	Aug. 30
Modern Contain.	20c	Oct. 1	Sept. 20
Do., extra	10c	Oct. 1	Sept. 20
Do., pref.	$1.37½	Oct. 1	Sept. 20
Nat. Steel Car	50c	Oct. 15	Sept. 30
Nat. Breweries	50c	Oct. 1	Sept. 15
Do., pref.	44c	Oct. 1	Sept. 15
Nat. Biscuit, c.	†40c	Oct. 15	Sept. 16
Noranda	$1	Sept. 15	Aug. 20
N. Meth. Ldy. p	$1.62½	Sept. 15	Aug. 30
Ottawa L. H. & Pr.	15c	Oct. 1	Aug. 27
Do., pref.	$1.25	Oct. 1	Aug. 27
Ont. Loan & Deb.	$1.25	Oct. 1	Sept. 15
Page Hersey T.	$1.25	Oct. 1	Sept. 15
Pato Cons. Gold	10c	Sept. 29	Sept. 8
Perron Gold	■4c	Sept. 22	Aug. 30
Do., extra	■1c	Sept. 22	Aug. 30
Petrol Oil & G.	■2c	Oct. 1	Sept. 15
Pioneer Gold	10c	Oct. 1	Aug. 31
Paton Mfg	50c	Sept. 15	Aug. 31
Do., pref.	$1.75	Sept. 15	Aug. 31
Preston E. Dome	5c	Oct. 15	Sept. 30
Pickle Crow	10c	Sept. 30	Sept. 15
Power Corp., pfd.	■$1.50	Oct. 15	Sept. 30
Do., 2nd pref.	■75c	Oct. 15	Sept. 30
Remington Rand	†20c	Oct. 1	Sept. 10
Price Bros. pfd.	•1.37½	Oct. 1	Sept. 20
Do., pref.	†$1.12½	Oct. 1	Sept. 10
Reliance Grain, p	$1.62½	Sept. 15	Aug. 31
R. S. Mills	50c	Oct. 1	Sept. 10
Sunset Oils	1½c	Sept. 15	Sept. 5
Sylvanite Gold	7c	Sept. 30	Aug. 16
Siscoe Gold	2c	Sept. 15	Aug. 16
Simon & Sons	15c	Sept. 27	Sept. 13
Do., pref.	$1.75	Sept. 27	Sept. 13
Sangamo	25c	Sept. 30	Sept. 25
So. Amer. Gold	†10c	Sept. 22	Sept. 10
South Can. Pwr., p	$1.50	Oct. 15	Sept. 20
Sheep Creek Gold	4c	Oct. 15	Sept. 30
Teck-Hughes	■10c	Oct. 1	Sept. 10
Toronto Elev., p.	68¾c	Sept. 6	Aug. 28

DIVIDEND NOTICES

The Bell Telephone Company of Canada

Notice of Dividend

A dividend of Two Dollars per share has been declared payable on the 15th day of October, 1941, to shareholders of record at the close of business on the 23rd of September, 1941.

F. G. WEBBER,
Secretary.

Montreal, August 27, 1941.

Canada Iron Foundries, Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of 3% on the $100.00 par value 6% Non-Cumulative Preference Shares of this Company has been declared for the half year ended June 30th, 1941.

Notice is also given that a dividend of 3% on the $100.00 par value Common Shares of this Company has been declared for the half year ended June 30th, 1941.

Both dividends are payable on October 1st, 1941, to holders of record September 15th, 1941.

By Order of the Board.
M. S. GROGAN,
Secretary-Treasurer.

Montreal, August 29th, 1941.

Canadian Wirebound Boxes Limited

Dividend Notice

Take Notice that the Directors of the Company have declared a dividend of fifty cents (50c) per share on account of arrears on the class "A" shares of the Company, payable October 1st, 1941, to shareholders of record the close of business September 15th, 1941.

By Order of the Board,
J. P. BERNEY,
Secretary.

Toronto, August 27th, 1941.

Lake of the Woods Milling Company Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of twenty cents (20c) per share has been declared on the Common shares of the Company, payable on October 1st, 1941, to shareholders of record at the close of business on September 15th, 1941, such dividend bringing the distribution on the Common Stock to a total of $1.20 for the Company's fiscal year.

By Order of the Board,
D. A. MacINNES,
Secretary.

Canadian Westinghouse Company, Limited

DIVIDEND NOTICE

Notice is hereby given that at a meeting of the Board of Directors of this Company, held August 27th, 1941, a dividend of fifty cents (50c) per share was declared upon the outstanding Capital Stock of the Company, payable October 1st, 1941, subject to the regulations of the Foreign Exchange Control Board of the Dominion Government, to Shareholders of record September 15th, 1941.

Cheques will be mailed to Shareholders.

By Order of the Board,
W. E. SPRAGUE,
Secretary.

Hamilton, Canada, August 29th, 1941.

DIVIDEND

Chartered Trust and Executor Company

NOTICE is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending September 30th, 1941, payable October 1st, 1941, to shareholders of record at the close of business September 15th, 1941.

By Order of the Board,
E. W. McNEILL,
Secretary.

Dated at Toronto,
August 21st, 1941.

Associated Breweries of Canada Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a Quarterly Dividend (No. 52) of 1¾% upon the outstanding Preferred shares of the Company has been declared, payable, subject to the approval of the Foreign Exchange Control Board, on the First day of October, 1941, to Shareholders of record at the close of business on the Fifteenth day of September, 1941.

NOTICE IS ALSO GIVEN that a Quarterly Dividend (No. 49) of 25 Cents per share on the No Par Value Common shares of the Company, issued and outstanding, has been declared, payable, subject to the approval of the Foreign Exchange Control Board, on the Thirtieth day of September, 1941, to Shareholders of record at the close of business on the Fifteenth day of September, 1941.

By Order of the Board,
I. N. WILSON,
Treasurer.

Calgary, Alberta,
August 29th, 1941.

Sheep Creek Gold Mines Limited

(Non-Personal Liability)

Notice of Dividend No. 22

Notice is hereby given that a Quarterly Dividend of four cents per share has been declared on the paid-up Capital Stock of the Company, payable on the 15th day of October, 1941, to shareholders of record at the close of business on the 30th day of September, 1941.

Persons holding certificates not registered in their name, commonly known as "street" certificates, should have them registered in their name by the Company's transfer agents, Prudential Trust Company Limited, at their office, 475 Howe Street, Vancouver, B.C., or at their office, 217 Bay Street, Toronto, Ontario, on or before 30th September next.

By Order of the Board.
JAMES ANDERSON,
Secretary.

Vancouver, B.C.,
August 28, 1941.

Dividends Declared (Cont'd)

Union Gas	20c	Sept. 15	Aug. 20
United Fuel, p.	75c	Oct. 1	Sept. 20
Waite Amulet	10c	Sept. 10	Aug. 18
Walker-Good.	$1	Sept. 15	Aug. 22
Do., pref.	25c	Sept. 15	Aug. 22
Weston, George, c.	20c	Oct. 1	Sept. 12
Willson Stat., pfd.	$1.25	Oct. 15	Sept. 30
Wilsil	25c	Oct. 1	Sept. 15
Wright-Harg.	10c	Oct. 1	Aug. 21
Do., extra	5c	Oct. 1	Aug. 21

†Payable in U. S. funds.
■Subject to approval of Foreign Exchange Control Board.
•Distribution from land sales account.

FOR SALE
10,000 Gen. Steel Wares
4½'s 1952
Yielding about 4.05%. Price 101¾
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

DIVIDEND NOTICES

Gatineau Power Company

Notice of Dividend on 5% Cumulative Preferred, 5½% Cumulative Preferred and Common Shares

The Board of Directors has declared a quarterly dividend of $1.25 a share on the 5% Cumulative Preferred Shares and $1.37 a share on the 5½% Cumulative Preferred Shares of the Company payable October 1, 1941 to shareholders of said classes of record at the close of business on September 2, 1941; also a quarterly dividend of Fifteen cents ($.15) a share on the Common Shares of this Company outstanding at the close of business on September 2, 1941, payable on September 30, 1941, to shareholders of said class of record at the close of business on September 2, 1941.

Cheques will be mailed. Stock transfer books will not close.

J. R. BINKS, Secretary.
Montreal, Canada, August 22, 1941.

Kirkland Lake

Dividend No. 14

A semi-annual dividend of five cents per share on the outstanding capital stock of the Company has been declared payable October 29th, 1941, to shareholders of record September 29th, 1941.

Taxes imposed on shareholders' dividends will be deducted where applicable.

By Order of the Board,
H. F. CASSIDY,
Secretary-Treasurer.

Toronto, August 29th, 1941.

The B. Greening Wire Company, Limited

Common Dividend No. 16

NOTICE IS HEREBY GIVEN that at a meeting of the Directors of The B. Greening Wire Company, Limited, held in the office of the company on August 25th, 1941, a dividend of Fifteen cents per share on the Common Shares of the Company was declared payable October 1st, 1941, to shareholders of record September 15th, 1941.

F. J. MAW,
Secretary.

Hamilton, Ont., August 28th, 1941.

Dividend Notice COMMAND OILS LIMITED

Notice is hereby given that a Dividend of 2c per share has been declared on the outstanding shares of the Company, payable on or after September 29th, 1941, to shareholders of record at the close of business September 13th, 1941.

The transfer books of the Company will be closed from the close of business September 13th, 1941, to the close of business September 20th, 1941.

BY ORDER OF THE BOARD,
G. J. McKAY, Secretary.
August 28th, 1941.

FORD MOTOR COMPANY OF CANADA, LIMITED

DIVIDEND No. 55

The Board of Directors has declared a cash dividend of twenty-five cents ($.25) per share, payable on all of the outstanding shares of the company on September 27, 1941, to shareholders of record at the close of business September 6, 1941.

D. B. GREIG,
Secretary.

Windsor, Ont.
August 27, 1941.

The Calgary & Edmonton Corporation, Limited

Notice is hereby given that a dividend of five cents per share was declared 27th August, 1941, payable 30th September, 1941, to shareholders of record at the close of business on the 30th day of August, 1941.

Payment of the said dividend has been approved by the Foreign Exchange Control Board.

The Transfer books of the Corporation will be closed from the close of business on the 30th day of August, 1941, to the opening of business on the 10th day of September, 1941.

BY ORDER OF THE BOARD,
C. E. REECE,
SECRETARY.

Dated at Winnipeg, this 27th day of August, 1941.

National Steel Car Corporation Limited

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of fifty cents (50c) per share has been declared payable on October 15th, 1941, to shareholders of record at the close of business, September 30th, 1941.

By order of the Board.

CHAS. W. ADAM,
Secretary.

George Weston 6 Mos. Net Up

Operating earnings of George Weston Ltd. for the six months ended June 30, 1941, increased approximately $52,000 over the corresponding period of 1940. After increasing depreciation charges $8,500, and allowing income and excess profits taxes nearly $36,000 higher than last year, net profit advanced $7,733, bringing earnings on the common stock to 50 cents per share against 48 cents in the first half of last year.

Earnings have been adjusted to allow for a 40% Dominion excess profits tax in the current year, against 35% last year.

Income Account
Six Months Ended June 30

	1941 $	1940 $
Operating profit	551,726	499,782
Less: Depreciation	142,192	133,649
Inc. & E. P. taxes*	163,814	128,146
Net profit	245,720	237,987
Less: Pfd. divds.	43,750	43,750
Net for common	201,970	194,237
*Estimated.		
Earned per Share:		
Common	$0.50	$0.48

Bathurst Profit Higher For First Six Months

From Our Own Correspondent

MONTREAL.—Net profit of 406,637 for the first six months of the current year, after depreciation, depletion and provision for income and "excess" profits tax is reported by Bathurst Power and Paper Co. in a note accompanying the current dividend.

This was equal to $1.01 a share on the class A stock. Net profit for the first half of 1940 was $342,559, equivalent to 85 cents a share on the class A stock.

Income and excess profits tax was calculated for the first half of the current year at 40%, or $406,637, while provision for this purpose in the corresponding period last year was made at the rate of 30%.

Net working capital at June 30, 1941, totalled $3.1 millions, compared with $2.8 millions at Dec. 31, 1940, an improvement of $281.959.

Commodities

Despite increased moves to control prices in both Canada and the United States, the majority of price indices have again moved upward.

Individual advances were not numerous. Among the commodities that did advance, cotton and cattle were noticeable.

Cotton prices were affected by industrial buying for both civilian and army needs.

Strong demand for cattle absorbed all offerings on the Canadian markets. Exports of beef cattle from Canada to the United States for 1941 to date have been 89,838 head against 74,778 last year. In the third quarter up to August 28 they were 39,439 head, the quota set by the United States government was 51,700 for the quarter.

	Latest week	Previous week	Same week last yr.
Cattle	$9.80	$9.75	$8.75
Hogs	14.65	14.65	12.00
Copper, lb.	.12	.12	.11
Cotton, lb.	.1757	.1694	.0971
Rubber, lb.	.22⅝	.22⅝	.19¾
Silk, lb.	3.57	3.57	2.51
Sugar, raw, lb.	.0370	.0370	.0266
Wheat, Man. (bu.)	.71⅝	.72⅛	.72¾
Coffee, lb.	.1338	.1338	.0675
Hides	.15	.15	.10¾
Weekly Indices			
Canada (D.B.S.)	91.8	91.4	82.7
Do., Wood, Gundy	74.4	74.4	64.6
U. S. Labor	90.0	89.6	77.7
Dow Jones (future)	79.89	79.04	50.89
Fishers	97.7	97.0	81.6
Monthly Indices			
Canada (D.B.S.):			
Retail (July)*	111.9	110.5	105.6
W'sale (July)	91.1	90.0	82.6
U. S. (June)	87.1	84.9	77.5
Gt. Brit. (July)	153.2	152.4	139.7

Note:—The base of indices is that 1926 equals 100. *Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Raw Kans. No. 1 coffee, Santos. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT. on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

Wednesday, the First Day of October

next to Shareholders of record at the close of business on the Fifteenth day of September, 1941.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, August 20th, 1941.

THE ONTARIO LOAN AND DEBENTURE COMPANY

217th DIVIDEND

Notice is hereby given that a Quarterly Dividend of $1.25 per share for the current quarter ending 30th September 1941 has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on the 1st October, 1941. to Shareholders of record at the close of business on the 15th September, 1941. BY ORDER of the Board.

T. H. MAIN, Manager.

London, Ontario, 26th August 1941.

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Week in Wheat

Ottawa Feed Policy Is Meeting Criticism

Export Ban on Millfeeds and Coarse Grains Resented by Western Growers — Wide Grades New Wheat Creating Storage Problem

From Our Own Correspondent

WINNIPEG—Government restrictions on the export of coarse grains and feed wheat are developing criticism in various parts of western Canada. While the prohibition of export to the United States is based on the idea of conserving supplies in order to make sure that Canadian commitments of cheese and bacon to the United Kingdom, the western grower seem likely to regard the measure as intended to prevent a rise in the price of feed grains he sells to the eastern farmer.

Prices for oats and barley have been decidedly strong, because of the anticipated demand from eastern Canada, and because of the tendency of western farmers to keep such grains for their own feeding operations instead of selling them for cash. Those who do sell coarse grains, however, will feel that they are entitled to the benefits of whatever markets are available, and that the influence of demand from the United States should be allowed to function.

There can be no danger of any shortage of feed grains in Canada, they will argue, so long as Canada has an unmanageable surplus of wheat, and so long as farmers have to be restrained from selling all the wheat they produce.

Millfeed Interest Less

Criticism so far has largely concerned feed grains, with much less interest in feed wheat and the millfeed by-products of the flour industry. Apparently the average western farmer has not yet realized the extent of the sale of these products for livestock feeding purposes.

Any attempt to curb the price of flour western farmers would immediately realize must affect the value of wheat, but so far most of them regard the millfeed situation as one that concerns the milling trade only. But if the developing tendency to criticize becomes stronger, discussion will almost inevitably embrace the millfeed question. Feeling on the subject will be stronger if open market prices on wheat are sustained above the level of Wheat Board initial payments.

* * *

Farm Storage Rates

Regulations for the payment of storage on wheat held on farms have been issued by the Canadian Wheat Board. They correspond closely to those in effect last year. Storage payments will commence to accrue on Oct. 9 at the rate of one half cent per bushel each 22 days thereafter, culminating in a maximum payment of 6 cents per bushel during the last three weeks of July. Farm storage payments, of course, only apply on wheat delivered to the Board and on that proportion of the crop which the farmer is permitted to market under the present national restrictive policy. Crop in excess of official delivery quotas is excluded.

* * *

Annex Problems

Filling the new temporary terminal elevator annexes at the head of the lakes has presented a problem of management to the elevator companies. While grain can be deposited in these annexes almost as easily as in the main elevators, it is a more difficult matter to take it out again. And because the bins in the annexes hold more grain than has previously been housed in a single lot, it is important to fill them only with grain in the best conditions for storage.

Operators would prefer to store with No. 1 Northern only, but for reasons of varied demand this is not practical. Most of the terminal elevators are solving the problem by devoting one-half of their annex space to No. 1 Northern Wheat, and the other half to No. 2 Northern.

* * *

Lake Shipping

The capacity of terminal elevators and annexes is likely to be strained soon. Wheat is arriving much more rapidly than it is being shipped out. The lull in shipments down the lakes is not but might have been a factor. The Canadian grain fleet has been depleted by the transfer of a number of vessels to the ore carrying trade, and some to the movement of United States grain out of Duluth and Chicago to lower lake ports. It has also lost a number of vessels to Atlantic service. Actually, however, there are a sufficient number of vessels available for present restricted needs, as eastern terminals are congested, and transatlantic movement of wheat is not proceeding at as high a rate as was the case up to two months ago.

The scarcity of lake vessels is likely to be the most strongly noticed at the end of the season of navigation. When stocks of grain are heavy it is a usual practice for considerable quantities to be carried in winter storage aboard lake vessels which load up for that purpose about the first of December. Only a limited number of vessels will be available for that purpose during the coming winter. Some of those now in service are to move out on to the Atlantic, and others will be kept empty in order that they may be ready for the ore trade at the earliest possible moment in the spring.

* * *

New Grade Troubles

For the past two crop years the grading of the western wheat crop has been exceptionally high, with practically the whole crop concentrated in a few grades, and most of it grading No. 1 Northern. That made it easier to store maximum quantities at one time in the terminal elevators. With a crop now in prospect likely to contain a good deal of low grade and off grade wheat, some percentage of binning capacity will inevitably be lost in providing bins for all the various grades that will have to be accommodated.

Grade differentials in Wheat Board prices were under review last week at a meeting of the advisory committee to the Canadian Wheat Board, held at Calgary. Approval was given to the schedule already issued by the Board, in which broadly speaking prices were advanced from last year's basis, on all grades lower than No. 2 Northern by approximately one cent a bushel.

The schedule of grade payments in effect on Wheat Board purchases during the past crop year represented a series of spreads much narrower than those which are usually experienced in the market. They proved, however, to be much wider than the market spreads which actually prevailed during the year.

In consequence farmers were attracted more to the open market than to delivering to the Wheat Board when lower grades of wheat were in question. Those farmers who did deliver lower grades of wheat to the Board are inclined to think that a subsequent payment ought to be forthcoming to them, for they can observe from published records that presumably the Board has disposed of all of such wheat and actually been able to make a profit in doing so.

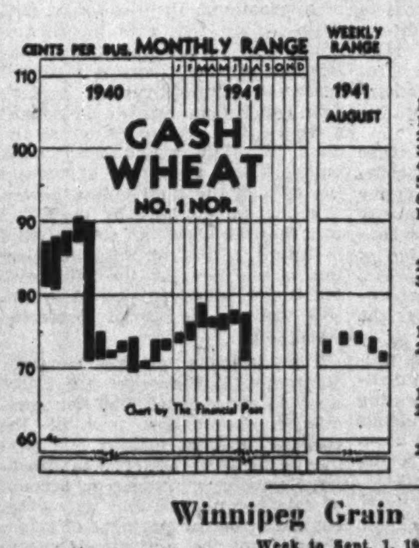
* * *

Spreads Were Narrow

The narrow spreads during the past crop year were primarily due to the very small quantities of lower grade wheat which were produced, together with a high average quality for such grades. Millers were willing to employ limited quantities of lower grades in their milling mix at very slight discounts under the price for high grade wheat, and this appeared to apply to British as well as to Canadian millers.

In addition, the American market absorbed practically all available wheat of No. 5, No. 6 and feed grades. Grain of such grades was classified by United States customs officers as unfit for milling, and it was accordingly admitted to that country at the 15% tariff rate applying to feed grains, instead of being excluded by the rate of 42 cents a bushel applying to millable wheat.

Wheat Prices



Cash Quotations

	For Week Sept. 1 High	For Week Sept. 1 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.72⅛	.71⅝	.73⅜	.72⅛
1 Nor.	.72⅛	.71⅝	.73¾	.72⅛
2 Nor.	.69⅝	.69⅛	.71¼	.69⅝
3 Nor.	.67	.66⅜	.68¼	.66¾
4 Nor.	.66⅞	.65½	.67⅛	.65¾
5 Wheat	.65⅛	.63¾	.65	.64⅛
6 Wheat	.63⅛	.61¾	.63	.62⅛
Feed	.56⅛	.55½	.57⅞	.56⅛
Oats:				
2 C. W.	.48¼	.46⅛	.49⅛	.46⅞
3 C. W.	.46¾	.44¼	.46⅜	.44⅝
Barley:				
1 Feed	.48¾	.47⅜	.48⅞	.47⅛
2 Feed	.47¾	.46⅞	.48⅜	.46⅝
Flax:				
1 C. W.	1.48¾	1.45½	1.47⅞	1.44
2 C. W.	1.47⅝	1.41½	1.43⅞	1.40
Rye:				
2 C. W.	.55⅛	.54	.55	.54

Winnipeg Grain Futures

Week to Sept. 1, 1941

Crop year from Aug. 1, 1941 High	Crop year from Aug. 1, 1941 Low		Open Aug. 26	High for week	Low for week	Close Sept. 1	Close year ago
		Wheat					
.76⅞	.72½	Oct.	.73⅛	.73½	.72½	.72½	.73⅜
.78½	.74⅛	Dec.	.74¾	.75⅛	.74⅛	.74⅛	.74⅝
.82¼	.78¼	May	.78⅞	.79¼	.78¼	.78⅜	.....
		Oats					
.47½	.37¾	Oct.	.44½	.47½	.44⅛	.46¾	.38⅛
.45⅜	.35⅛	Dec.	.42¼	.45⅜	.41⅞	.44⅜	.37¼
.44¾	.38⅛	May	.42½	.44¾	.41½	.43¾	.38¼
		Barley					
.53	.47⅞	Oct.	.49⅞	.52½	.50	.51⅝	.33⅞
.52⅜	.48¼	Dec.	.49⅞	.52¼	.49⅞	.51⅜	.33⅜
.53¼	.49⅜	May	.50⅜	.52⅜	.50	.52	.34⅜
		Flax					
1.50	1.40¼	Oct.*	1.46¼	1.50	1.45½	1.47	1.34½
1.49½	1.40½	Dec.	1.46	1.49½	1.45½	1.47	1.32½
1.54½	1.45	May	1.50	1.54¼	1.49½	1.51	1.36⅛
		Rye					
.57¼	.53⅜	Oct.	.54½	.56	.54½	.55⅛	.42⅜
.58	.53⅜	Dec.	.55⅜	.57	.55⅜	.56⅛	.43⅛
.60⅜	.51⅝	May	.58⅛	.59⅜	.58⅛	.58⅜	.45

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Week in Mining

Operations Still Expand In Yellowknife Area

Milling Capacity Being Stepped Up While Intensive Search For New Properties Continues to be Prosecuted

While the Larder Lake and Malartic camps have been making mining news in eastern Canada in recent months, interesting developments have also been taking place in a remote sector of western Canada—at Yellowknife in the North West Territories. Highlights of activity in the Yellowknife area have been: Construction of a mill addition at Smelter's Con property; turning over of the new mill at Thompson-Lundmark Gold Mines; and installation of a mill at Ptarmigan Mines. A small 25-ton mill has also been installed at Giant Yellowknife Gold Mines to treat high grade ore.

Exploration is turning out some favorable results in Yellowknife. Smelters is reported to be securing encouragement in surface work on its "Kam" and Aye" claims near the Con property while a small mill is being considered for its "Ruth" group near Francois Lake. At Emile River, 150 miles north of Yellowknife, Mercury Gold Mines has been encouraged by opening up of high grade veins.

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Shulaps Attracts

Shulaps Mountain is proving the new centre of attraction for gold miners in British Columbia just like the Barraute area has relieved the gold prospecting doldrums in Quebec in 1941. Following a survey of the Shulaps area by M. S. Hedley, a B. C. Department of Mines engineer, who found the area "a good prospect," the B. C. Government plans a more thorough investigation of the area.

"So far as is known," the department reports, "there are four veins, roughly parallel in a width of 75 yards. The eastern or big vein forms a sort of stockwork 16 ft. wide, in which a little free gold has been found. This vein is seen only in one other place, 600 ft. distant. Here it has a width of 3 or 4 ft.

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Staked in 1934

"One of the other veins averages about 20 inches in width. At its widest it is about 44 inches, and is only a fraction of that in other parts. Gold is found in this vein, particularly where it touches on serpentine rock."

The veins were first staked in 1934, when the whole area was blanketed but no work was done. In 1940 the veins were "rediscovered" and this year 24 claims were staked by individuals. Bralorne Mines has acquired an option on some of the original holdings and in addition staked between 130 and 140 claims.

The area surrounding the find is toward the northwesterly end of the Shulaps Mountains, and is in heavy, glaciated country. In many parts the country rises to ridges of about 9,000 ft., but the area of the discovery is about 6,000 ft. above sea level.

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Malartic a Standard

Malartic Gold Fields has proved the standout feature on the Toronto Stock Exchange the past week. The Financial Post elsewhere reviews the new developments responsible for the great activity in this issue.

Location of important new ore half a mile west of the Malartic Gold Fields mine helps to fill in one of the big gaps in the Malartic belt—the gap between East Malartic and the Malartic Gold Fields mine or a distance of several miles. With the current success at Malartic Gold Fields, it would not be surprising to see a new programme of development at Rand Malartic which is located between East Malartic in the west and Malartic Gold Fields on the east, on the main Malartic greenstone band. The contact zones were fairly well drilled out some time ago but Malartic Gold Fields would seem to show that inside the band is just as good a place to look for ore as on the contact zones to the north and south.

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New Manitoba Find

A brand new gold find has been made in Manitoba and in the close-in area in which there are already a number of properties.

The new find was made by Ed. O'Hair, prospector, fisherman and all-round bushman. It is at Lilly lake, about 9 miles south of Gunnar Gold and 4 miles west of Consolidated Diana Gold Mines. O'Hair was cutting timber for Gunnar Gold Mines when he found what appeared to be a good strong vein with visible gold in a dark blue quartz.

The property appeared to be of sufficient interest that it was immediately taken under option by a Winnipeg group and O'Hair and a crew are now staking further ground. The Winnipeg interests will lose no time in the further development of the property, should it stand up to preliminary sampling.

Open Rich Ore At O'Brien

High Grade No. 4 Zone Indicated on Four Lowest Levels

From Our Own Correspondent

CADILLAC.—Lateral exploration on the new block of four levels off the No. 4 winze at O'Brien Gold Mines shows evidence of the downward extension of the high-grade No. 4 vein structure. These levels are established at 2,125, 2,250, 2,375 and 2,500 ft. and represent the deepest horizons yet tapped in Cadillac.

On the 2,125-ft. level, coarse gold has been noted intermittently in 75 ft. of drifting. The last three rounds at 112 ft. east disclosed specimens of a heavy matrix of gold over one inch width.

Vein Encountered Below

Drifting on the 2,375 and 2,500-ft. levels is now in the narrow blue quartz vein with coarse gold disclosed similar to that on the 2,175-ft. level. Drifting on the 2,250-ft. level is now in the same favorable area.

As the vein structure has an easterly rake and the drifts are being advanced from the east, the lower levels will be behind the upper ones in development advances.

On the 6th and 12th levels, the No. 4 vein structure carried the heavy, spectacular "ribbon" gold in the narrow blue quartz vein over varying lengths on a total east-west extension of 250 ft. A period of three to four months will now be required for thorough lateral and vertical exploration on the four levels under development.

Recent structural and gold disclosures are markedly similar to those on the upper levels, with indications that the unique heavy "ribbon" gold deposition should show recurrence.

List Camp Bird Shares On Toronto Exchange

Shares of Camp Bird Mines were called for trading on the Toronto Stock Exchange on Aug. 22. Camp Bird is the company formed to take over the property of Dorval-Siscoe Mines.

At the same time as listing of Camp Bird shares, shares of Dorval-Siscoe were removed from trading on the exchange. Stock exchange basis was one share of Camp Bird for each five Dorval-Siscoe shares held.

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Calgary, Feb. 8th, 1941.

. . . there is no doubt from the evidence he presents that **considerable success has been met with in spotting big producers for royalty investment.** The Editor.

Dear Sir: Calgary, May 29th, 1941.

Re your memo. of March 18th, I am forced to admit that your prediction of March 19th that the well ——— No. ......, would be a dud was very accurate, and I am informed that this well got water in the Devonian and is quite hopeless.

Yours sincerely, ... C. C. ...... & Co.

NOTE: The above reckoning was made by long distance process some 115 miles away, without ever having visited the area.

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Malartic Gold Fields Gets Excellent Drilling Results

From Our Own Correspondent

MALARTIC, Que.—A new mine of major proportions has been indicated by recent diamond drilling on the western part of the property of Malartic Gold Fields. Not only is there twice as much ore indicated in the western section as in the original mine area but grade is considerably better.

Total tonnage per vertical foot indicated by diamond drilling is now around 4,500 tons per vertical foot at Malartic Gold Fields or as much as at East Malartic with grade at Malartic Gold Fields about 50% higher.

Best Values in the Area

Altogether five new ore bodies have been outlined by drilling in the west area with values much the best secured anywhere in the Malartic area. Important to future expansion is the fact that drilling is still open going west with excellent chances of further expansion in this direction. There is still a mile of ground unexplored up to the west boundary.

Hole No. S-149, which cut three of the new ore bodies gives a good indication of the high grade, big width, character of the new ore. Altogether there is 95.5 ft. of ore showing in this hole grading $20 per ton. The separate ore sections are a width of 51.6 ft. running 0.55 oz. gold per ton; 20 ft. grading 0.59 oz.; and 23.9 ft. grading 0.59 oz. gold per ton.

Holes at 100-ft. Intervals

Following intersection of favorable structure and ore sections for a distance of 400 ft. in the area 2,000 ft. west of the main ore body, diamond drilling began picking up the new ore bodies. Holes have been put down at 100-ft. intervals going from east to west sited to the south at an incline of 45 degrees. True widths are about 75% of core widths due to dip. Holes are numbered consecutively running from east to west. Numbering the new ore bodies arbitrarily from 1 to 5, diamond drilling intersections are as follows running from east to west at 100-ft. intervals with width intersected given in feet below values:

	Ore Body				
	No. 1	No. 2	No. 3	No. 4	No. 5
Hole No.	oz.	oz.	oz.	oz.	oz.
S-145	0.13	...	0.18	...	...
Width .. ft.	2.6		13.7		
S-146	0.24	...	0.20	0.24	...
Width .. ft.	9.0		56.0	29.0	
S-147	0.15	0.44	0.36	0.13	...
Width .. ft.	3.0	8.8	61.0	11.0	
S-148	0.74	0.22	0.48	0.19	0.22
Width .. ft.	4.3	3.0	20.0	29.5	30.5
S-149	...	0.55	0.59	0.59	...
Width .. ft.		51.6	20.0	23.9	
S-150	...	0.23	0.64	...	...
Width .. ft.		13.0	8.5		

In the last-mentioned hole, No. S-150, two new ore bodies have come in. One intersection between No. 2 and No. 3 ore bodies runs 0.13 oz. across 31 ft. while the second ore body to the south of No. 3 shows 0.17 oz. across 31 ft.

Two Sections in S-152

To the west of hole No. S-150 further holes are being put out at 100-ft. intervals. Late last week Hole S-151 had entered bed rock while Hole No. S-152, which had not yet been assayed, showed two sections of 25 and 56 ft. of typical silicied, heavily mineralized diorite. Drill holes so far completed have shown remarkable continuity of structure and gold content, the latter being indicated as closely associated with the degree of mineralization and fractured quartz sections. Hole No. S-152, the most westerly, is still 5,000 ft. from the west boundary. Two drilling rigs are being used and holes will be continued to the west.

The homogeneous character of the ore structures is believed to be of great importance, the average grade in the new sections being 0.30 oz. gold per ton or better. Tonnage in the new section runs upward of 3,000 tons per vertical foot which with the 1,500 tons per vertical foot in the present workings give better than 4,500 tons per vertical foot—or 4.5 million tons to the 1,000-ft. horizon if ore showings continue downward unchanged.

New Shaft Required

A second shaft will now be required for the opening up of the new western sector of the property. Sinking of the main shaft has been completed to 1,370 ft. and four new levels will be ready for opening up in October. It is possible a main haulage level may be driven out to the west on the 1,000 or 1,200-ft. horizon.

Development of the new west ore bodies will undoubtedly allow consideration of mill expansion. The great widths of ore involved in the drilling suggests that underground work will substantiate results already obtained and a doubling or even tripling of the 600-ton capacity is not difficult to visualize on the basis of 4,500 tons of ore to the vertical foot. Drilling has so far been carried to depths of 150 to 300 ft.

Widths Suggest Persistency

Great ore widths suggest depth persistency and ore bodies in this section of the Malartic area have shown persistency at depth, it is noted. The great length of the Malartic break itself is an important factor indicating favorable conditions will continue to depth.

Substantial operating profits have been realized in milling so far this year. Operating profits for the first six months totalled $414,142 secured from 125,179 tons of ore milled with production of $899,184 or $7.18 per ton.

MacLeod to Mill 1,000 Tons

Boost in Capacity to Cost Around $400,000, Officials Estimate

Mill capacity is to be boosted from 650 to 1,000 tons daily at MacLeod-Cockshutt Gold Mines, President F. G. MacLeod reveals. The managing director and mine manager have been authorized to proceed with plans for increasing mill capacity to 1,000 tons daily, at the same time providing adequate space for a further increase to 1,500 tons daily.

The board of directors contemplates that the total capital expenditure called for by the 1,000-ton programme will be around $400,000 but as yet no detailed estimate has been made.

"During the past year the mine was put in condition to meet the increased demand, through the sinking of No. 2 shaft to the 9th level 1,400 ft. below the collar and connecting up the No. 1 shaft to the 7th level 1,100 ft. below the collar," Mr. MacLeod states. "A crusher station has been cut at the 8th level of the No. 2 shaft and the crusher is now being installed. This work together with the necessary ore and waste passes and the level development of the west zone on the third level and the opening of the north zone on the 6th level has absorbed approximately $200,000.

"In addition to the development, part of the equipment needed for the step up to 1,000 tons was purchased and installed during the current year. The amount expended on equipment was approximately $100,000, making the total expenditure $300,000. This extensive programme is rapidly nearing completion and has now placed the board in a position to recommend the proposed expansion.

"If the tentative estimate of capital expenditure is confirmed, the board believes that they will be justified in declaring a dividend before the end of the calendar year," Mr. MacLeod concludes.

Home Directors Hit At Charges

Taxes And Royalties Seen Holding Up Turner Development

From Our Own Correspondent

VANCOUVER. — Taxation and royalty charges are hindering development of the Turner Valley, in the opinion of directors of Home Oil Co. but the company will go ahead with its development programme "consistent with the policy announced at the last annual meeting," it is officially stated.

This was the general conclusion at a special meeting of directors in Vancouver when company affairs were discussed with special relationship to negotiations now proceeding with provincial and federal authorities for alleviation of the burden of taxation.

Subject to the conclusion of these negotiations, the company has authorized preparation for an active drilling campaign. The company hopes to take advantage of the concessions made by the provision of the War Exchange Conservation Act to drill an exploratory well, according to a statement issued after the meeting.

Home Oil Co. now has eight producing wells and is engaged in drilling one. At the last annual meeting it was declared that dividends would be paid when income from production exceeded outgo on the three-well drilling programme.

Pig Iron Output Of Dosco Drops

From Our Own Correspondent

MONTREAL. — Dominion Steel & Coal Corp. produced 28,000 long tons of pig iron at its Sydney mill during July, according to the Dominion Bureau of Statistics.

This is the lowest monthly output since that of Feb., 1940, totalling 23,000 long tons.

Production in the first seven months of the year declined to 225,000 tons from 226,000 tons in the same period of 1940.

Barraute Interest Widens With New Discoveries

Interest in Quebec's Barraute-Carpentier field continues to broaden out with much staking activity carried on in recent weeks. Staking activity has been particularly stimulated by Hollinger Consolidated taking an option on the Swanson ground, (northeast of its original property), following the discovery there of what is believed to be a new north break.

Many claims have been staked in addition to new staking marked on the map shown on the opposite page, prepared especially for The Financial Post, but details are not yet available. For instance, staking has already been carried out to the northwest of Dome's more westerly property.

Vincent Interests Active

To the southeast on strike of the new Hollinger find, the Vincent interests of Toronto have now formed Laflamme Prospecting Syndicate as a preliminary to the formation of a company on ground held in this area. The Vincent interests have already formed Vinor Barraute Mines to develop a property located on the main break to the south. Financing of Vinor Barraute by an underwriting and option agreement has been arranged.

Down in the southern part of the area, the Morasse ground optioned by Sylvanite Gold Mines is stated to have an interesting showing.

Stake Claims to South

Staking of claims is now being carried on actively in this sector where many claims were staked years ago and allowed to lapse when there was little enthusiasm for ground "north of the tracks." An interesting thing about this south formation is that it seems to extend through into Landrienne twp. where the old Fisher and Venus mines were located.

On the main sector, Teck-Hughes is understood to have purchased a further two claims north of its discovery property for something over $2,000.

New Hearing On Utility

S.E.C. Probes Management Change and Salaries in International Utilities

The Securities & Exchange Commission, Washington, has ordered a hearing for September 16, 1941 on the question of the salaries of officers in the International Utilities Corp. and its subsidiaries, Dominion Gas & Electric Co., General Water Gas & Electric Co. and Securities Corporation General.

Salaries in question are those of the former president, P. M. Chandler for $56,500 annually of which $20,000 came from International Utilities, $15,000 from General Water Gas & Electric, a like amount from Dominion Gas and Electric and $6,500 from Securities Corporation General. According to the Commission, on Mr. Chandler's resignation on July 21, he was succeeded by W. B. Yeager as president at a salary of $15,000.

Manoeuver for Control

Mr. Yeager's salary and that of F. W. Seymour of $18,000 are alleged by the commission to have been the result of agreements between Chandler, Yeager, Seymour, Hanscom, G. E. Robinette and certain other persons to enable them to continue their control over the management of International Utilities Corp., notwithstanding any shift in control which might come from the simplification of the company's capital structure. Simplification hearing been called for a hearing on August 6. Under the present structure the class "B" stock which has a book value of less than zero at present has 89% of the total voting power. The plan put forward by the S.E.C. was that the class "B" stock should in future be restricted to the election of one director, the balance of the Board being distributed among the various classes of preferred stock.

The directors of the company mentioned in the order are called upon to show cause why the commission should not prohibit the corporation from making any payment directly or indirectly to Chandler, Seymour or Yeager on account of salary contracts; and why other contracts for the payment of salary should not be restrained except on the further order of the Commission.

Foreign Exchange

During the week Aug. 26 to Sept. 1 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Sept. 1

Australia ... 3.58 S. Africa ... 4.47
India .... .3353 Hong Kong . [illegible]
N. Zealand . [illegible]

Calmont Shows 1941 Profit

Earnings Equal 2 Cents A Share Against Deficit Previous Year

Net profit of $46,910 equal to 2 cents a share was realized by Calmont Oils in the year ended May 31, 1941, against $7,159 deficit the previous fiscal year. The 1941 profit may be subject to income tax, Herbert Greenfield, president, states.

Three wells have been completed in Turner Valley under the company's six-well agreement with Northwest Co. and a fourth is now being completed. Earnings of present wells are being used to finance further wells.

Drilling operations are stated responsible for the drop in working capital shown below. Investments also show a decrease from $187,000 to $159,000 due to sale of certain securities and the depressed condition of the market, it is stated.

Income and Deficit Account
Years Ended May 31

	1941	1940
	$	$
Equip. rental, etc.	73,989	38,987
Invest. income	19,910	28,704
Prof.—Northwest Co..	51,710	......
Total revenue	145,609	67,691
Less: Oper. exps.	25,854	17,457
Gen. exps. (net) ...	14,824	23,765
Depreciation	29,534	33,628
Invests w/o	28,487	......
Net profit	46,910	*7,159
Less: Prev. deficit ...	122,209	111,373
Invests. w/o	......	3,677
Deficit forward	75,299	122,209
*Deficit.		
Earnings per Share and Dividend Record:		
Earned	$0.02	d$0.003
None paid.		
No. of Shs. Outstand.	2,252,766	2,248,931
Working Capital		
Current assets	46,355	103,380
Current liabilities	18,548	33,939
Working capital	27,807	69,441

Laflamme Units Being Offered

Total Of 375 Units To Be Sold At $10 Each—Company Planned

A total of 375 units are now being offered for public subscription by Laflamme Prospecting Syndicate, recently formed to take over a block of claims located on the strike of the "north break" in the Barraute area, Quebec.

Property of the company which adjoins Dome Mines and Inspiration Mining and Development Co. was staked by Norman Vincent, Toronto.

Prospecting Planned

Funds secured from the sale of syndicate units are to be used for prospecting the syndicate's property and to finance formation of a company to take over the syndicate's property.

Unitholders will be entitled to 500 shares of stock in any new company formed for each syndicate unit held.

Week in Oils

"Reserve Capacity"

From Our Own Correspondent

CALGARY.—For the first time in several months, Turner Valley now has a reserve productive capacity. This will be available in the fall and winter, when a dearth of new completions will make it necessary to open oil wells to their limit, if production near 26,000 bbls. per day is to be maintained.

The reserve has been created by the completion of a number of better than average producers during the last two or three months. They permitted reduction of allowables of many overtaxed wells to a more efficient level, and temporary operation of a number of efficiently operated wells at substantially less than maximum.

Under the September allotment schedule, the Turner Valley allotment is maintained at the former 26,000 bbls. per day, allowables of older wells being revised downward to provide 1,505 bbls. per day for four wells which were completed during August.

• • •

For Efficiency

In the majority of cases, such a reduction was necessary in order to place the wells on a more efficient operating basis. It is apparent, however, that a number of wells have now been reduced to a point below their maximum efficient rates. These wells appear to be chiefly in the northerly part of the field, and include such producers as the new Miracle well, Alberta Oil Incomes No. 2, and several of the Home-Millarville and Foothills wells.

These wells constitute the reserve capacity that is going to be vital during the next few months, when the rate of Turner Valley completions will be only about half that shown the past four months. Beyond a doubt, wells which are capable of greater production than is currently being allowed will be permitted to operate at their maximum efficient rate during the next few months.

• • •

Miracle Big Well

The four August completions, and their temporary daily allotments assigned for September (in bbls. per day) are: Miracle Royalties No. 1, 749; Royalite Model No. 1, 358; Calmont Northwest No. 4, 224; and Royalite No. 57, 174. In each case, of course, the allotments are subject to change when Conservation Board tests have been completed.

Miracle, which is operating under strong back pressure after only 1,000 gallons of acid, is currently operating an average of almost 900 bbls. per day. The other three wells are still undergoing acid treatment.

Daily allotments of the top-ranking wells in the field for September are:

	Bbls.
Home Millarville 7	785
Miracle Royalties 1	749
Home Millarville 2	739
Alberta Oil Incomes 2	627
Home Millarville 1	529
Lion Sunray 1	503
Home Millarville 3	445
Foothills 7	444
Northwest H. B. 5	436
Foothills 5	474
Foothills 8	390
Royalite 48	366

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Grease Creek Test

Confirming The Financial Post prediction of two weeks ago, the Northwest Co. has obtained drilling permit for a new drill test on the promising Grease Creek structure, foothills field about 45 miles northwest of Calgary, The new well will be drilled immediately in L.S.D. 7 13-29-7w5, a quarter of a mile due north of the old Northwest-Grease Creek Pete. test abandoned last fall because of mechanical difficulties. The well is expected to reach the Madison limestone potentially productive section around 7,500 ft.

A second new prospect test will be put down in the Vermilion field on the central Alberta plains by Franco Oils. Permit for the well, to be known as Franco-Vermilion No. 10, was issued a few days ago. Location is in L.S.D. 13 36-49-6w4. about four miles south and two miles west of the Vermilion discovery well, Battleview No. 2.

In view of the optimistic reports on possibilities of the Vermilion-Wainwright area recently issued by such authorities as Dr. G. S. Hume of the Dominion Geological Survey, and the availability in the prairie area of a large market for the type of heavy crude found in shallow wells in this area, it is expected that Franco Oils, the E. L. Cord interests and Vermilion Consolidated Oils will pursue an energetic drilling programme there this fall. Location for several more wells are expected to be announced shortly.

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Major 2 In Lime

Providing the outstanding news of the week from Turner Valley, the Major Oil Investments No. 2 well has confirmed its Madison limestone objective at 7,825 ft. and cemented production string of casing at the week end.

Major No. 2 is located in L.S.D. 12 4-21-3w5, a full half a mile north of Turner Valley's present most northerly producers, Alberta Oil Incomes No. 2 and Miracle Royalties No. 1. It is a quarter of a mile north of Ace Royalties No. 1, which topped the lime recently and is now drilling near completion.

The outstanding fact about Major No. 2 is that the limestone elevation is only 3,764 ft. below sea level, placing the well 371 ft. higher structurally than Ace No. 1 (lime elevation—4,135 ft.), and 490 ft. higher structurally than Incomes No. 2 (lime elevation—4,254 ft.). Miracle No. 1, which is quarter of a mile east of Incomes No. 2, found the lime at 3,481 ft. below sea level, or 283 ft. higher than Major No. 2.

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Old Theory Exploded

Major No. 2 definitely exploded formerly widely held views that the productive limit of Turner Valley, due to a sharp northward plunge of the limestone body, lay just north of Incomes No. 2. The outcome at this well, and at wells now drilling even farther north in the area, is of tremendous importance to the future development of Turner Valley.

Another two new locations were staked in Turner Valley last week, both new wells being on the Imperial Oil group string. The new sites are: Royalite No. 63, to be drilled in the centre of the 80-acre lease comprising L.S.D.'s 8 & 9 of 7-19-2w5; and Foothills No. 9, in the centre of L.S.D. 14 27-30-3w5.

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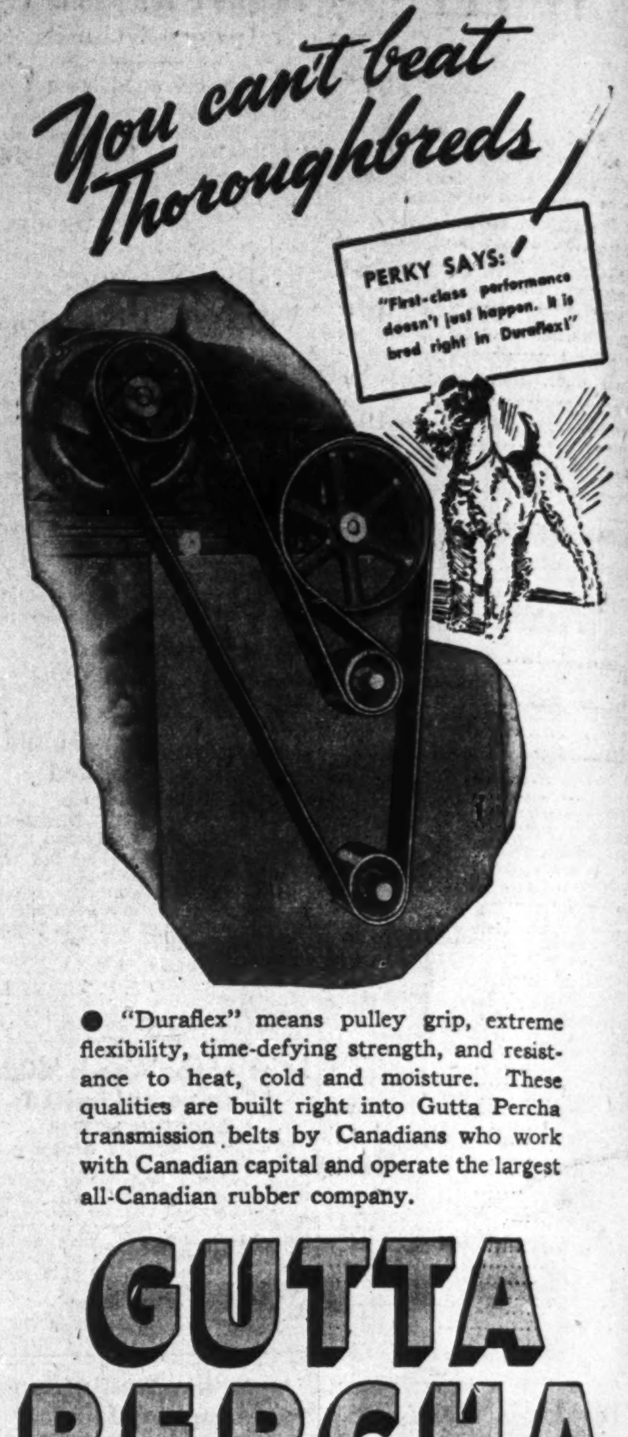
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Will Canada's Base Metals be Bonused?

U. S. Supplies Run Far Behind Defense Requirements

By **GORDON M. GRANT**
Staff Writer, The Financial Post

Will bonusing base metal production be undertaken in Canada?

A few months ago the answer to that question would have appeared a definite no. Today it is perhaps. Tomorrow it may be a definite yes.

Cause of the surprisingly rapid shift in the base metal picture is the $50 billions armament programme getting under way in the United States—a programme that will use more base metals than the American continent can now produce.

Raw materials will be the real bottleneck of the entire United States war effort, it is feared. It is a bottleneck to which Washington authorities are giving great attention. Canada comes definitely into the picture through the joint Canada-U.S. materials co-ordinating committee.

Canada Helps Already

Already Canada has been asked by the United States to help out in base metal production. A $30 millions expansion programme by International Nickel Co. is one direct result. But so far the real steps to get adequate production of base metals have yet to come. That the need is there cannot be doubted for a moment.

Here is what the Engineering and Mining Journal, authoritative U. S. mining publication, has to say about American base metal requirements:

"Shortage of mineral products, especially the important ferro-alloys and main non-ferrous metals, are proving the ultimate bottleneck in defense planning. Copper, lead and zinc are going to be more serious in limiting activity a year from now than are supplies of aluminum, magnesium or manganese."

Supplies of base metals from not only Canada and Mexico but also Argentine, Brazil and Peru, have already been arranged by the United States, the E. & M. Journal points out. "Obviously," The Journal states, "these arrangements are only the beginning of the hemisphere metals programme."

It is noteworthy that much of the metal arranged for existed previously in stock piles. These stock piles are now exhausted; further metal will have to be looked for from greater production. With mines throughout the Americas already operating at capacity, expansion of production will call for expansion of capacity for there is a limit to the increase in metal output that can be secured by artificial means such as stepping up the grade of ore treated.

Copper is one of the metals that shows how the United States is going to run short of metals in spite of the attempts being made to increase the supply available. To make present and prospective supply reach as far as possible, control has been extended to cover copper-base alloys and fabricated products in the United States. Despite all controls, however, it is officially expected that demands this year (1941) will reach 1,950,000 tons of copper, and thus exceed prospective total supply by 350,000 tons. In other words, the prospective shortage is greater than the entire Canadian output of copper in an ordinary year. And Canada is one of the largest producers of copper in the world.

What U. S. Is Doing

To overcome the bottleneck in copper, the United States has naturally been investigating domestic possibilities first. Two methods have been worked out for increasing the copper output in the United States. A direct subsidy for high-cost producers is planned in the United States to secure a greater production of copper on a marginal basis. It has been suggested that producers whose costs were exceptionally high be paid a bonus above "out-of-pocket" costs. "Out-of-pocket" costs are defined as costs exclusive of depreciation, depletion and amortization of deferred charges. Besides this, Washington authorities have held conferences with all important American copper producers and further conferences are to be held with each individual firm "to determine the quickest and most feasible methods to bring out additional tonnage." Each case will be considered according to its technical nature. Each mining enterprise is being encouraged to use new techniques, no matter how unconventional just so long as they produce more of the red metal.

Even with the 150,000 to 200,000 tons a year of extra copper expected from the new measures, an acute shortage of copper will still exist for United States industry has not yet reached its peak stride. Car output is being slashed in half to make more metal available for armaments but the metals shortage will continue in spite of this diversion.

Canada's Turn Next

When American sources have been fully tapped, Canadian possibilities for copper and other metals will undoubtedly be even more fully canvassed by the United States authorities. Says the Engineering and Mining Journal on this point:

> "Securing non-ferrous metals in adequate quantity is the job that has stirred government officials to considerable contracting of Canadian and Latin American supplies. It is expected that this programme will be expanded further. Almost any country which can furnish copper, lead, zinc, or other needed metals can find a ready market at the Reconstruction Finance Corporation."

Canadian metal mines are admittedly producing all the metal they can with present capacity and the low fixed prices being paid by the United Kingdom Government. However, the United Kingdom Government contracts call for production of fixed amounts of copper, lead and zinc, and Canadian mining companies are free to dispose of further output in the United States if domestic needs have been satisfied.

It appears that the United States—if it really wants metal—may get more metal from Canada by paying just what she is willing to pay United States producers. That would be 12 cents a pound for copper in United States funds. In Canadian funds that would be 13.2 cents a pound—more than 30% above the price Canadian producers are understood to be receiving for their product from the United Kingdom.

The difference in the prices for lead and zinc in the United States and those being paid by the United Kingdom are much more marked and the United States market is exceedingly attractive.

The Metals Reserve Co., the United States metals buying agency, takes base metals into the United States without paying duty and the American market has been opened to Canada in this way. What Canada has to do is secure the metal to export.

Canada's New Position

Admittedly, metal prices in the United States are really attractive to Canadian producers. It is still a question, however, whether they are sufficient by themselves to secure any really great production of metals through installation of greater plant facilities. However, there is another angle to the problem. Canada has been closely co-operating with the United States through the joint committee for co-ordinating our efforts in the production of raw materials.

In return for supplying Canada with what she needs for her war effort, it is to be expected that the United States will want Canada to supply what she needs most acutely—base metals. So far International Nickel and Falconbridge Nickel are the two big metal producers to agree to expand capacity so that the United States would be assured of a greater flow of raw material. It is understood that these companies are receiving some special Dominion consideration for undertaking this expansion. The consideration is the right to write off the cost of new plant over a relatively short period since the plant conceivably won't have much value after the war.

Concessions for Base Meeals

With the emphasis now swinging from gold to base metals production, it appears likely that any new concern considering entering base metal production may arrange special tax consideration. As base metal mining is a big money proposition, plant write-off could be an even more important consideration than is the case in gold mining. Tax considerations are important with 40% of profits now taken for taxes.

It is not expected that Canada will finance base metal production directly any more than she considered going into production of gold when production of this metal first started to be pushed.

But there are other considerations that can and may well be given if Canada is to help the United States. There can be no doubt of this further co-operation between Canada and the United States. Our imports from across the line have been soaring sharply so far this year. If we are to have a balancing flow from this country, greater base metal production is one of the logical answers.

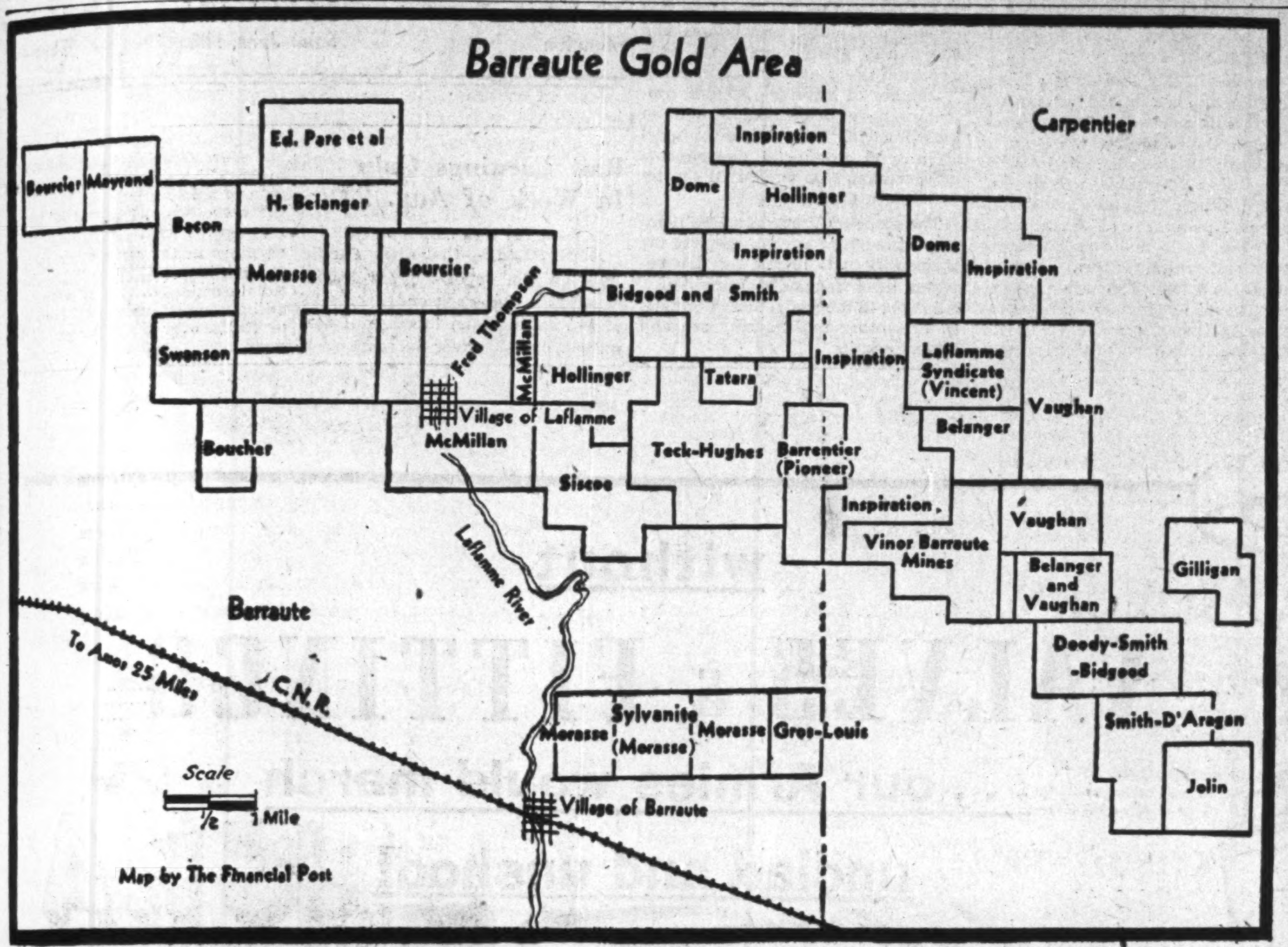
Extend Three-Year Exemption

There is no known reason why Canada can't give base metal mines exemption from corporate taxation for three years the same as gold mines to encourage production. Exemptions from taxation, of course, are just methods of bonusing production. Perhaps Canada might consider, too, some method such as the United States is planning as a sensible way of encouraging further production. However, probably the most economical way to get greater production is to deal with each case individually. In some cases only a little financial encouragement might be necessary to bring forth greater production. In other cases a large capital expenditure might be required and substantial concessions on the part of the Dominion Government. Undoubtedly greater base metal production can be secured without the government going into business.

Turn to New Mines

Several of our large base metal mines may be operating at as high a rate as is economically justifiable. New mines may thus be the answer to the quest for greater base metal production. In the case of zinc, however, installation of further equipment at existing mines can result in greater production.

Prospecting for base metals has not been carried on as intensively in Canada as has the prospecting for gold. But many prospects are worthy of further investigation with higher metal prices and more financial inducements. Development of base metal mines requires more time than opening of gold mines but with the war apparently long, much greater base metal production is going to be needed.



Map by The Financial Post

Mining Concentrates

Bonetal Gold Mines reports that by amendment of the agreement with D. R. Michener dated April 27, 1940, Mr. Michener on behalf of himself and his associates has given a firm commitment to purchase 70,000 shares in each of the months of September and October, 1941, thereby providing the treasury in each of the months with $21,000.

• • •

Buffalo Ankerite Gold Mines profit for the six months ended June 30, 1941, totalled $144,695 equal to 20.6 cents a share. This compares with $79,255 or 11 cents a share for the same period of 1940. Current assets were reported at $480,400 at June 30, 1941, with current liabilities totalling $220,234, leaving working capital of $260,166.

• • •

Calgary & Edmonton Corp. has declared a dividend of 5 cents a share payable Sept. 30, 1941, to shareholders of record Aug. 30.

• • •

Camrock Mines has terminated its agreement completed with Charles Hedwall Jr., later assigned to Haras Corporation. A total of 220,000 shares were taken down at 5 cents a share before termination of the agreement.

• • •

Duquesne Mining Co. has received an additional $2,000 from Avle Corporation to apply on Sept. 20 option installment under agreement of Aug. 7, 1941. Issued capital is now 3,220,562 shares, leaving 1,779,438 shares in the treasury.

• • •

Hugh-Pam Porcupine Mines has completed three holes in its current drilling campaign. Present work is proceeding in the vicinity of the old Mulholland shaft on its property. Values have not been announced.

• • •

Kirkland Lake Gold Mining Co. has declared its regular semi-annual dividend of 5 cents a share payable Oct. 29, to shareholders of record Sept. 29. The usual extra of 1 cent a share is omitted with current distribution.

• • •

Keyroc Mines reports that the agreement of April 24, 1940, with C.E. Dickinson which was assigned to Armstrong Forsyth & Co., has been terminated. A total of 56,000 shares were taken down at 5 cents a share.

• • •

Mosher Long Lac Gold Mines has staked claims in the area north of Sandy Beach, Port Arthur mining division, Ont., following a discovery of gold. A crew of men is now at work on the property. After interesting gold pannings were secured, a number of trenches were dug and samples taken. These revealed gold in varying quantity, making the area attractive for exploration. Results obtained in present work will guide future policy. Prospecting is also being carried on in other areas at the present time.

• • •

Nabco Manganese Mining Co. optioned 5,000 shares at $2 a share to G. F. Coburn on July 29, 1941, payable within 90 days. Authorized capital of the company is 100,000 shares with 68,237 issued.

• • •

Siscoe Gold Mines increase in milling capacity from 650 to 900 tons daily is expected to come in effect some time this month. Increase will allow treatment of a large amount of additional lower grade material which will be profitable at the higher milling rate.

• • •

Sheep Creek Gold Mines has declared its regular quarterly dividend of 4 cents a share payable Oct 15 to shareholders of record Sept. 30.

• • •

Spina Porcupine Mines completed an agreement on Aug. 1, 1941, by which Minedel Mines agreed to purchase 40,000 shares at 5 cents a share and was granted an option on 160,000 shares at 5 cents a share payable by Dec. 1, 1941. Authorized capital is 4 million shares with 1,500,005 issued.

• • •

Sanymac Mining & Development Co. completed an agreement on June 19, 1941, by which Sure Win Holding Co. agreed to purchase 5,000 shares at 10 cents a share, payable within 30 days, and received an option on 459,000 shares as follows: 59,000 shares at 10 cents per share payable within four months; 50,000 shares at 12½ cents a share payable within six months; 50,000 shares at 15 cents a share payable within eight months, with balance at 17½ to 45 cents a share payable within 16 months. Authorized capital is 3 million shares with 1,724,007 issued.

• • •

Senore Gold Mines is now carrying out exploration at the 500-ft. level but work has not yet progressed far enough for any definite indications. The crosscut is being continued to intersect the full width of the zone in which the ore occurs.

• • •

Uchi Gold Mines gives notice that holders of the 6% first mortgage sinking fund bonds are required to surrender their bonds with coupons maturing Dec. 31, 1941, to the Trusts & Guarantee Co., Toronto. A like amount of "extension bonds" will be issued maturing Dec. 31, 1946. The extension bonds will be in fully registered form.

• • •

Wendigo Gold Mines had a net profit of $78,558 in the year ended April 30, 1941, compared with $83,803 in the previous fiscal year. Balance as at April 30, 1941, shows current assets of $365,527, including $197,812 of Dominion bonds, against current liabilities of $131,004, leaving $234,523 working capital compared with $229,792 a year previous. Sinking of the winze has been carried 400 ft. or to the 1,500-ft. horizon. The main vein was cut at 1,400 ft., assaying well but of narrow width. Ore reserves as at April 30, 1941, totalled 31,455 tons of $10 grade.

END HALCROW FINANCING

The option and underwriting of Halcrow Swayze Mines, originally completed last March and revised in June has now been cancelled due to default on payments. Several hundred thousand shares were taken up under the agreement at 6, 6½ and 7½ cents a share.

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BARRAUTE EXPANDS

A PERSONAL MESSAGE

For some time after I sat down to write this advertisement, I got no further than the heading, for that really tells the story. . . . Barraute IS booming.

But my position cannot be so simply explained. I am rather embarrassed, because the Vincent Prospecting Syndicate was oversubscribed, and last week I returned hundreds of dollars to those who came late. Many eager to acquire units bought in the open market, bidding up to $20.00. This hasn't happened in a long time.

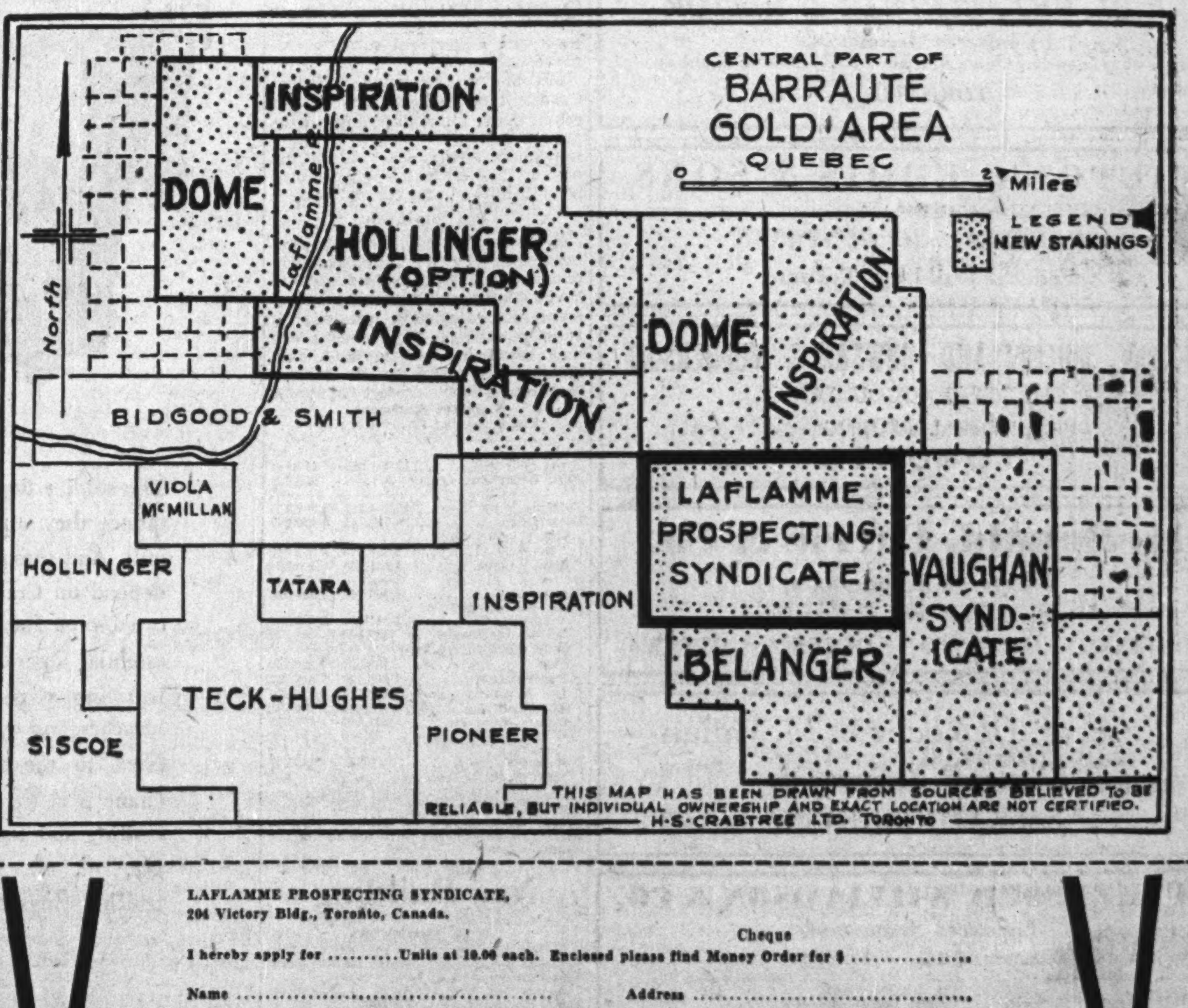
However, Fortune smiled again. . . . Hollinger optioned a property parallel with Teck-Hughes, and results were interesting enough to cause Dome to stake on both sides of Hollinger. Learning of this new staking rush, I went in last week and staked 1,000 acres tying right onto Dome and Inspiration — on the direct line of the strike. See map for location.

If you feel that successful companies like Teck-Hughes, Dome and Inspiration know a bet when they see it . . . join with us and get in on the ground floor of what looks like another Major Gold Camp — by subscribing to LAFLAMME PROSPECTING SYNDICATE.

The Syndicate is divided into 1,500 Units, no personal liability. 375 Units only are offered for public subscription. Opening price $10.00 per Unit. This money will be used for preliminary development and the incorporation of a company. When this is done, you will get 500 shares of stock for each Unit you hold. And in view of what happened to the Vincent Prospecting Syndicate, I suggest you subscribe immediately.

NORMAN VINCENT.

P.S.—To those who I returned money on the Vincent Units, I advise immediate purchase of LAFLAMME Syndicate.



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What is the National Film Board Doing?

This Article Reveals a Little Understood Phase of Dominion's War Effort

OTTAWA.—One of the phases of the Canadian war effort which Canadians generally know little about is the National Film Board.

Complete co-ordination of war film activities in Canada has been achieved by the passing of two recent orders-in-council. By these the National Film Board has absorbed the former Government Motion Picture Bureau. The Dominion now enters upon the second stage of those intensive developments in the making of documentary motion pictures which were initiated in September 1939, by the appointment of John Grierson to the post of Dominion Film Commissioner. Mr. Grierson had previously been widely known as the head of the General Post Office film unit in Britain. He now directs his entire energies toward Canadian production.

The 17th monthly issue in the special series Canada Carries On has just been released from Ottawa. These topical and incisively edited films on all aspects of our war effort, are circulated in approximately 900 theatres across the country. One of the latest of these, entitled Churchill's Island, which was edited from both British and German material, gave a complete picture of air battles over England and of sea warfare in the channel. It has been favorably reviewed in many countries and may soon obtain theatrical distribution in the United States. Already the series Canada Carries On is being shown widely in Australia and New Zealand, South Africa and the United Kingdom, and clips from it are used in the American newsreels. The series was begun and financed in co-operation with the Office of Public Information, Ottawa.

Other types of production have been rushed forward in recent months. The Victory Loan, war savings and recruiting campaigns have all been given visual publicity by means of short and effective two-minute films. The newest developments are specialized training films for the army. Experts from the Walt Disney Studios in Hollywood have been sent to Canada to prepare for Disney production of animated cartoon films on both war savings and training.

Do Travel Films Here

The tourist industry has not been neglected. Besides the production by Canadian units of a number of 16 mm. Kodachrome films in brilliant color about Canadian life and scenery, for distribution in the non-theatrical market of the United States and other countries, arrangements were made this summer for several Hollywood companies to film travelogues in Canada.

Through the co-operation of the National Film Board, three Fitzpatrick Travel-Talks on Ontario and Alberta, a Fox sports reel and a "Magic Carpet" reel on eastern Canada, and three Universal "Going Places" reels, on Victoria, B.C., Charlevoix County, Quebec, and the Canadian Rockies, have already been done. Hollywood financed and has guaranteed theatrical distribution for them in the United States.

In addition, nine of the best amateur movie makers belonging to the Amateur Cinema League of the United States, were invited here by the National Film Board in co-operation with nine provinces of the Dominion. One expert went to each region and brought back fine color material that will be shown this winter in amateur clubs in every State of the Union.

It is understood that Walter Zeller, who is now advising the Department of War Services on tourist problems, may recommend still further extension of this film programme so that more tourist productions can be sponsored and made this coming year.

Chairman of the National Film Board is Hon. J. T. Thorson, Minister of National War Services. One other Cabinet member, three representative civil servants, and three laymen, also sit on the Board. Each month they meet with John Grierson, the Dominion Film Commissioner, to discuss war films and the general co-ordination of government motion picture production.

Films on tree planting on the prairies, and one on hog marketing, entitled "Bacon for Britain," are designed to fill the requirements of the Department of Agriculture, for instance. Also, in co-operation with the National Gallery, a new series on Canadian painters is being filmed in Kodachrome.

War needs, however, take priority. Mr. Grierson has gone to England to help establish military film units with the Canadian Army, so that, when battle comes, there will be cameramen operating in the field.

Besides its own production facilities in Ottawa, the Board makes use of all existing film units in Canada. Studios in Montreal and other cities are receiving contracts from the Board. Many items, for instance, are being turned out under its supervision by Associated Screen News. This applies to many of the short two-minute reels now appearing regularly in theatres. The object of these brief films is to stimulate various national campaigns: War savings salvage, gasoline conservation, recruiting, war loans.

Behind all this activity is a theory that the film is a social instrument to help the citizen understand, by visual means, the complex workings of modern administration and industry. The drama of machines is stressed. There flashes across the screen an impressive panorama of the manifold jobs that go to make up our armament and military effort. There are no studio actors. They are not needed. The men and women themselves, filmed at work, provide the talent; they give true realism to the action.

Wartime industries have been featured in many recent productions of the Board. For example, the July release to the theatres was entitled "Strategy of Metals." This depicted the rapid adaption of mining and metallurgy in Canada to armament requirements. Camera units travelled throughout the northland, to take the material used in that picture. Since then men have been at work filming Turner Valley and oil refineries in the western provinces for a film on the oil industry.

Distribution of 16 mm. films—that is the non-theatrical size—is being urged forward by the Board, so that schools and clubs, associations and community groups, may also have opportunity to see these pictures. A number of travelling 16 mm. projectors have been bought and an experiment in their use, in co-operation with provincial departments of education, is to be started shortly in western Canada.

The scope of film production planned is broad and varied. Some of the pictures help to bridge the gap between the citizen and the community. All assist in the projection of Canada so that other nations may see and understand it.

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Rail Earnings Gain In Week of Aug. 21

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway Co. reports gross traffic earnings in the week ended Aug. 21 of $4.7 millions, an increase of $1.4 million, or 43.2% over the same week last year. Gross earnings in the year to Aug. 21 totalled $132.5 millions, a gain of $31.6 millions, or 31.3% over the corresponding period of 1940.

Canadian National Railway gross earnings in the same week rose by $1.1 million, or 23.1% to $5.8 millions. Total earnings to Aug. 31 were $184.6 millions, an increase of $34.7 millions, or 23.1% over a similar period last year.

Accounting Terminology

The business world today speaks a different language from that of the traders and merchant adventurers of the development days of British commerce. The results of the individual trader and of the partnership venturers of a century or more ago were not difficult to ascertain and the expressions describing those results were readily understood. With the rise of the incorporated company, however, and more particularly with the advent of the income tax statutes and their complicated provisions, the terms used to describe the periodic results of trading operations and commercial dealings acquire a new significance and through continued use take on new meanings. Moreover, as the fields of activity in commerce and industry and finance continue to expand, the need for new modes of expression arises, and this need may be met by the development of new words or by extending the meaning of those already in use.

What is a balance sheet? Does it differ from a statement of assets and liabilities? What is meant by the expressions: value, income, earned surplus and market value? Here are only a few of the terms which standard dictionaries fail to define with any degree of adequacy.

From his study of and his close association with commercial dealings and from the examination and audit of a multiplicity of corporation records and transactions, the practising accountant has come to realize that important consequences can easily follow from the inaccurate use of words. That explains why the profession of the chartered accountant is giving study to commercial expressions and accounting terms and is making the results of its studies available to the business public.

One of a series of brief discussions of the work of the chartered accountant.

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I. H. E. System Profits Drop

Net Loss of $180,585 For Quarter Despite Gross Gain

From Our Own Correspondent

MONTREAL. — International Hydro-Electric System and subsidiary companies report total revenue of $18.7 millions in the three months ended June 30, compared with $17.4 millions in the corresponding quarter of 1940.

Gross betterment, however, was more than offset by increased costs of operation and higher tax accruals. Costs of operation, including purchase of power, rose to $6.6 millions in the second quarter of the year from $5.4 millions in the same quarter last year.

Tax Deductions Soar

Taxes, other than income and "excess" profits, rose by $129,713 to $2.2 millions. Income and profits tax provision for Canada totalled $361,000 against $541,800. Normal income provision for the United States amounted to $1.4 million, compared with $975,134. No provision was made for U. S. "excess" profits taxes, if any. Amount will be determined at the end of the calendar year.

As a result of higher cost and taxation factors, net loss of $180,585 was incurred in the quarter ended June 30, contrasted with net profit of $175,035 in the corresponding period of 1940.

Affected by Gatineau

Irwin L. Moore, president, draws attention to reduction of Gatineau Power Co.'s quarterly dividend from 20 cents to 15 cents because of higher taxation. International's income from this source will suffer correspondingly.

Mr. Moore also points out that Canada now deducts 15% at the source from all dividend payments to non-residents, compared with 5% previously. This also affects the amount International will receive from Gatineau in the current year.

Dip Into Cash

Since October, 1938, the System has been receiving approximately enough cash from subsidiaries to cover interest and expenses requirements, according to the president. It is estimated these requirements will now result in drawing upon cash resources to make up the balance required to meet interest payments.

Earnings Statement
Three Months Ended June 30

	1941 $	1940 $
Gross oper. rev.	17,852,919	16,410,943
Add: Other inc. (net)	851,698	956,634
Total revenue	18,704,617	17,367,577
Less: Oper. exps.	6,574,741	5,424,686
Taxes (other than income)	2,218,758	2,089,045
Maintenance	1,001,369	929,764
Net income	8,909,749	8,924,082
Less: Int. on debt of subsids.	2,541,481	2,555,310
Int. on H. E. debs	398,520	398,520
Debt disct. amort. & exps.	195,324	200,739
Depreciation	1,608,113	1,616,722
Ins. & profits taxes*	1,804,775	1,516,934
Subsid. divds.	2,257,832	2,156,742
Subsid. min. int.	261,137	287,975
Other subsid. chgs.	32,152	16,105
Net profit	†189,585	175,035

*No provision has been made in the three months ended June 30, 1941, for possible liability on U. S. "excess" profits taxes. The amount of liability, if any cannot be determined until the end of the calendar year. †Loss.

New Building

WAR PROJECTS

Major war construction projects recently initiated by contract awards of the Dept. of Munitions and Supply include:

Alterations and additions to School of Deaf, Belleville, Ont., $100,000.

Alterations and additions, Normal and Model Schools, Toronto, $200,000.

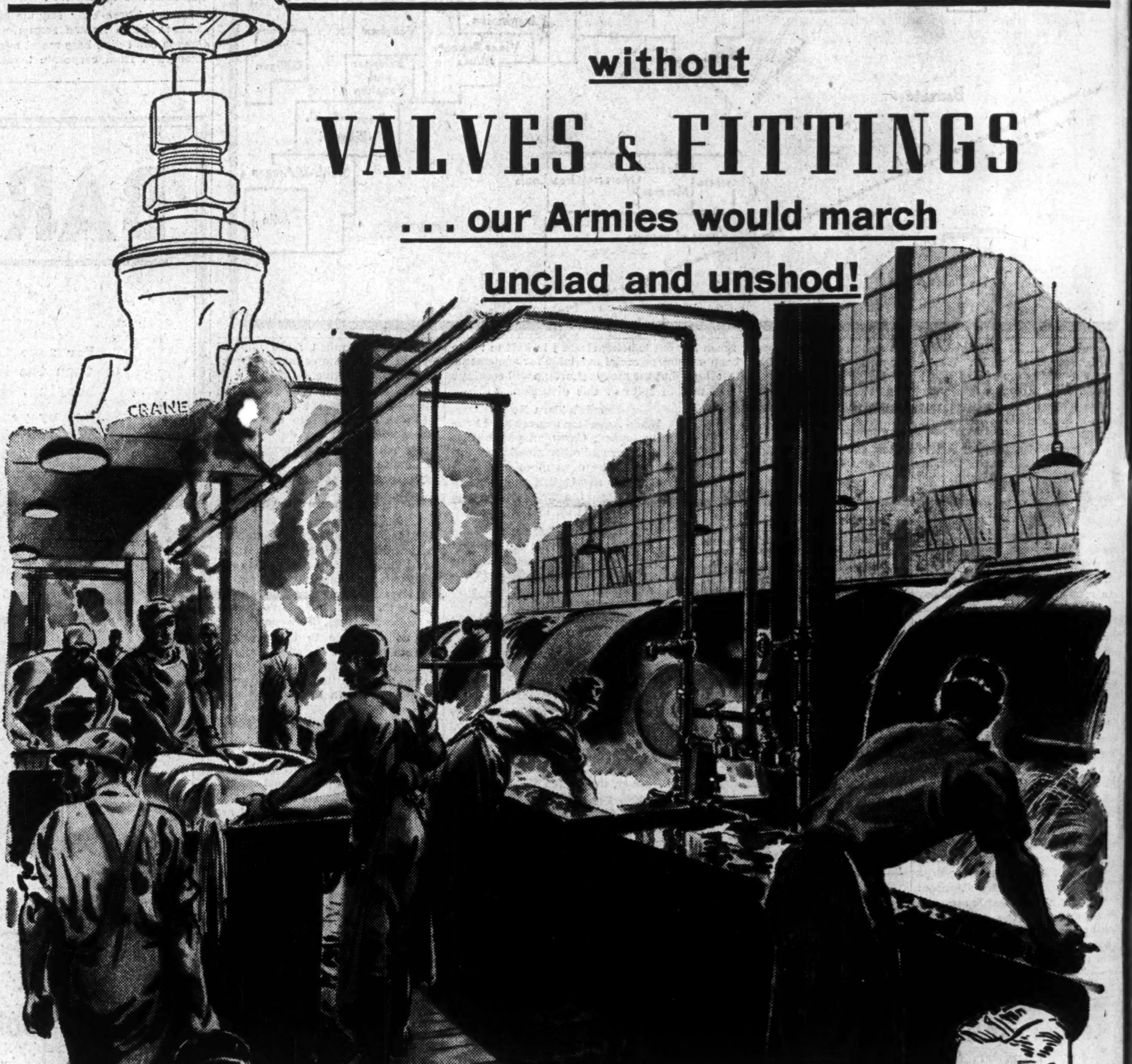
Unidentified project at Sydney, N.S., composite construction, $300,000; completion Oct., 1942.

Project at Dartmouth, N.S., composite construction, $300,000; completion Oct., 1942.

Project at Shelburne, N.S., composite construction, $300,000; completion Oct., 1942.

Project at Pictou, N.S., composite construction, $300,000; completion Oct., 1942.

Project at Halifax, wood construction, $85,000.



CRANE
"THIS TIME WE ARE ALL IN THE FRONT LINE"
Buy WAR SAVINGS CERTIFICATES regularly

without
VALVES & FITTINGS
... our Armies would march
unclad and unshod!

"You've given me a new conception of Crane!"

The soldier depends on the shoemaker and tailor; they, upon the tannery and textile mill. And these two basic industries in turn depend on Crane valves, fittings and fabricated pipe for many of their most essential operations involving the handling of chemicals, acids, dyes, bleaches, and other liquids.

Next to the raw material itself, Crane is at the core of things, controlling and regulating the flow of gas, oil, air, water, steam, from which springs the motive power of all industry. To do this vital job, Crane has designed and developed over 30,000 varied units, from the tiny one-eighth inch needle valve to the giant forty-ton gate valve.

Supplying the crucial needs of tanneries and textile mills, together with the valves and fittings essential to the operation of ships, railways, mines, power plants, oil refineries, chemical plants, arsenals and the many other industries now geared to war footing, is simply a part of Crane's national* job.

*CRANE 4-POINT WAR PROGRAMME

First, to supply all Canadian industry with the valves, fittings and fabricated piping vital to its operation.

Second, to utilize our plant capacity to the utmost in filling the Government's munitions requirements.

Third, to furnish plumbing and heating materials for army camps and workers housing.

These three must take precedence

* * *

Fourth, as in peacetime, to guard the nation's health with adequate plumbing and heating equipment for home and institutional use.

Crane's four plants and Crane's workers are putting everything into this four-fold task. It is their contribution to Canada's all-out war effort.

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